The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

December 3, 1938

The 'Anti-Cominterners'

AN EDITORIAL

★

Japan Booms the War

★

Responsibility for Aggression

BY C. Y. W. MENG

★

Japan's Link System

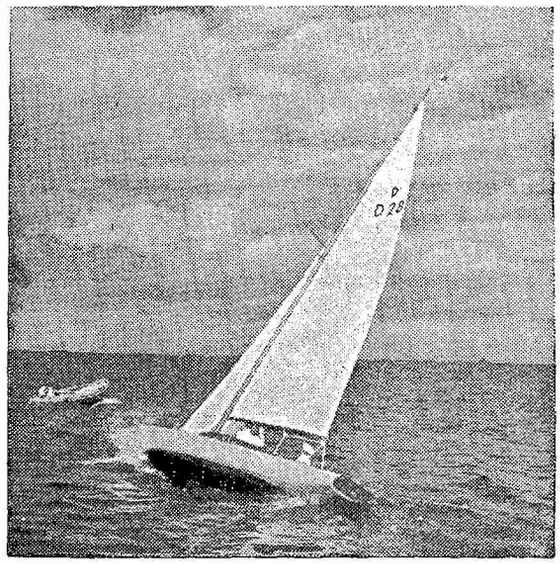
★

Nippon's 'Fortune Hunters'

THIRTY CENTS A COPY (In Shanghai) FORTY CENTS ELSEWHERE

Volume 87 Number 1

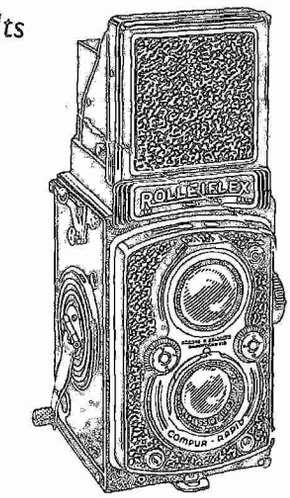
87-001



Rolleiflex

Simplicity in use—

Superlative in Results



Those are the reasons why the Rolleiflex is the ideal camera for all-the-year-round photography.

You can compose and focus your picture, adjust your aperture and shutter speed all at the one time, and you can tell exactly when to snap.

12 pictures 2¼ sq. on 3¼ by 2¼ roll-film. One lever Compur Rapid, speeded to 1/500th. T. & B. Zeiss Tessar f/3.5 lens.

Rolleiflex & Rolleicord Winners of Grand Prix Award, Paris Exhibition —1937.

See the Camera at your dealer's.

For Fast and Efficient Radio Telegraph Service to all Parts of the World Send

RADIOGRAMS

"Via RCA"

RADIO IS THE QUICKEST AND MOST RELIABLE MEDIUM FOR ALL TELEGRAPHIC COMMUNICATIONS. IT HAS BROUGHT ABOUT RATE REDUCTIONS AND INAUGURATED NEW CLASSES OF SERVICE TO MANY COUNTRIES. . . .

In CHINA file your messages "RCA"

(R.C.A. Communications, Inc.)

R.C.A. Communications, Inc.

(A Radio Corporation of America Service)

HEAD OFFICE FOR CHINA:— TEL. NO.
201-202 Sassoon House, Shanghai 19251

AGENCIES:—

Tientsin:	65 Consular Road	Tel.: 31430
Hankow:	San Peh Building	Tel.: 21774
Hongkong:	Dina House	Tel.: 30692

THE NATIONAL CITY BANK OF NEW YORK

ESTABLISHED 1812

Savings Accounts

$10 (National Currency) will open a savings account with interest at

3½%

per annum

The National City Bank of New York

SHANGHAI BRANCH

41 KIUKIANG ROAD

87-002

HEROIN INVADES SHANGHAI

EARLIER this week THE CHINA PRESS published a comprehensive report on the narcotics situation in Nanking, where 50,000 people are being slowly poisoned by Japanese-controlled drug rings.

BUT WHAT OF SHANGHAI? Is the situation here better or worse than in Nanking?

The answer to this question will be made in a series of four articles, the first of which will appear in THE CHINA PRESS on Sunday, December 4.

The articles have been written by Mr. C. D. Alcott, member of the CHINA PRESS staff and a well-known local news radio commentator, after a thorough investigation.

To Be Informed

Read

The China Press

If you are SATISFIED

with

The China Critic

(中國評論週報)

WHY NOT GIVE YOUR RELATIVES AND FRIENDS

THE SAME SATISFACTION?

BE A "CRITIC BOOSTER"!

Subscribe Now! - - - - - Do It yourself!

"Subscribe to the Critic" - - Pass the word!

Subscription Rates for one year

(Including Postage)

China ..... **C.$7.00**

Other Countries ..... **G.$5.00**

THE CHINA CRITIC

(中國評論週報)

桂中檮 C. S. Kwei, *Editor* | 朱少屏 P. K. Chu, *Business Manager*

191 Carter Road, Shanghai, China Telephone 31164

A Christmas Gift That Brings Joy Every Week

A thoughtful and timely gift this Christmas season will be a year's subscription to the China Weekly Review for friends and relatives at home. It will carry your affectionate rememberances many times each week throughout the year.

For twenty-one years, the Review has enjoyed the respect of not only the Orient, but places far and wide throughout the globe. It may be found in practically every library in cities of the world, small and large. It is the Bible, the encylopedia of students of Far Eastern affairs.

The Review is in demand because it tells you what you want to know about the Far East.

Here is a gift which those at home will deeply appreciate — 52 issues of the Review for only $20.00 (Chinese currency). This offer is good until Christmas only.

START YOUR GIFT ORDER NOW

Christmas Gifts ORDER FORM

The China Weekly Review
160 Avenue Edward VII
Shanghai, China
Friend's Name .....
Street Address .....
City & Country .....

The China Weekly Review
160 Avenue Edward VII
Shanghai, China
Friend's Name .....
Street Address .....
City & Country .....

Names and addresses may be sent with check and the Review will attend to mailing. The sender's name will accompany the first issue.

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China

87-004

What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

World Fair

The Editor, *China Weekly Review*:

Referring to my article on "China Makes Ready for New York's 1939 World Fair" which appeared in the Review of November 5, kindly note that by the decision of the Executive Yuan, which was reached on November 8, China decided to withdraw her participation in the 1939 World Fair, the reason, as announced, being that time is too short for the shipment of the Chinese. As all exhibits have to reach America by January 1, 1939, physically, it is impossible to do so in view of the present state of communications. So at the instance of Dr. Hu Shih, the Chinese Ambassador at Washington, and Mr. K. C. Li, one of the members of the Preparation Committee, now in New York, China preferred to withdraw. One spokesman "during the present war of resistance against the Japanese invasion, the Americans will undoubtedly excuse us if we do not participate in the World Fair". However, as I understand it, this does not imply that the Chinese merchants can not participate. Any Chinese, at their own option, can still participate in the Fair in their individual capacity.

C. Y. W. MENG.

Chungking, November 16, 1938.

Good Business

The Editor, *China Weekly Review*:

Your overseas readers will probably be interested to know that the Japanese Intelligence Service in Nanking has compiled three text-books which are anti "White Race," the prevention of Communism and pro fascision for the education of the Chinese (kindergarten) children. Thousands of copies of these books have been distributed free of charge among the kindergartens and schools in villages around Nanking and Hangchow. The three biggest department stores in Tokyo, Shirokiya, Daimaru and Takashimaya, have opened branches in Nanking, Hangchow, Wusih and Soochow recently. They're in the retail business, and crowded daily. Woollen goods are being sold like cakes,—75% cheaper than the foreign made. Not a piece of foreign goods could be seen or purchased either in those stores or Nanking. Today, most of the store signs bear Japanese names, and the major part of the business is carried on by the Japanese. The Japanese refused to accept the Japanese military notes, demanding the Chinese National Currency, but forced the Chinese to accept their notes!

Refugee.

Nanking, November 26, 1938.

Fond Farewell

The Editor, *China Weekly Review*:

May I be granted space in your most widely read columns to express my sincere opinion with regard to the departure for Italy of "Grenadiera di Savoia," local Italian garrison, aboard S. S. Conte Verde. Their departing comes as no surprise to Chinese. Because they are 'needless' in the eyes of every peaceful citizen of the Settlement and French Concessions and Chinese generally. Abushing the Chinese restaurant keepers or boys" and slapping and kicking the poor ricsha coolies in the western district have been their daily routine! Recently those "brave men" intentionally attacked and severely wounding the referee of Soccer game between the Seaforth Highlanders (British Regiment) team and the team of "SAVOI". The said referee is also of a white race. It's a shame to the white race! Therefore, we shall shed no tears, nor do we regret their departing! Goodbye, not bouvoyade!

WATCHER.

Shanghai, November 28, 1938.

Paper Wealth

The Editor, *China Weekly Review*:

It is my personal opinion and the opinion of many in England that things are not going so well. The other day our own Prime Minister, Nevillie Chamberlain (who kept us out of war) expressed in Parliament the opinion that there would be ample opportunity for investing money in China when the time came for rehabilitation. He evidently belongs to the school of the late lamented Elbert Gray, who said, "Don't put your money in China; lend it to Japan for the development of China: that's much safer." Considering the economic history of England since 1914, I find it difficult to believe that London's wealth is inexhaustible as ever. It is true, the streets are no longer paved with gold—only with inconvertible paper—but we lead the world in the manufacture of paper, so perhaps it's all right.

LONDONER.

London, November 8, 1938

Political Talk

The Editor, *China Weekly Review*

Interesting talk in Chungking circles concerns rumors about the organization of a "National Defense Government" together with newly-created departments.

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, *Editor and Publisher*

EARL A. SELLE, *Assistant Editor* HOH CHIH-HSIANG, *Editorial Dept.*

Advertising Dept.: TRYPHON V. KU S. GRUENBERG

F. K. CHAO, *Business Dept.*

Index for December 3, 1938

Editorial Paragraphs

Japan Embarks on a Vast War Expansion Boom 3
News and Views of the "Axis" and "Anti-Comminterners" 4
The Way to Anglo-Japanese Friendship 5
Itagaki Boasts of Japan's Ability to Defeat China-Russia 7

Special Articles

Japan Meets Demands of 11 Shanghai Bodies with Vague Promises 10
Japanese in Foreign Countries And in Nippon's China Campaign .... *by* Harutsugu Tahara 11
World Powers Blamed for Japanese Aggression on Asiatic Continent .... *by* C. Y. W. Meng 12
Actual Effects of the Link System in Aiding Japan's Foreign Trade 14
Japan's 'Fortune-Hunters' in China Providing Unemployment Problem 17
50,000 Persons Being Poisoned in Nanking by Japanese Opium Dens 19

Departments

What People Are Saying 1
Outstanding Events in the Sino-Japanese War 22
Who's Who in China 24
Men and Events 25
New Books of Interest in the Far East 27

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA. YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. ADD $3.00 COVER EXTRA POSTAGE TO HONGKONG. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917. BY AIR-MAIL—TO HANKOW AND ELSEWHERE IN CENTRAL, WEST, NORTHWEST AND SOUTHWEST CHINA THE RATE IS $28 A YEAR OR $15 FOR A HALF-YEAR.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES. COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

87-005

For Better CLEANING and PRESSING

42 HOUR SERVICE IF DESIRED.

Our modern equipment our modern methods give unparalleled results to the cleaning we do. It's done carefully to protect fine fabrics and thoroughly to insure your satisfaction.

Pride

Phone 32876-31020

PRIDE DRY CLEANING CO.
Inc. in Delaware, U.S.A.

THIS ROOFING STOPS 2 KINDS OF LEAKS

They are the leaks in your roof that cause leaks in your pocketbook.

This Texaco Roll Roofing will stop both. It's made right for long, hardweather service, year in and year out protection and economy. Come in, let us show you actual samples.

THE TEXAS CO. (CHINA) LTD.

12 The Bund Tel. 11566

Sun Fo, Miao Teh-tung, Wang Ching-wei, etc., have been mentioned as the possible heads of the Executive Yuan, etc. There are many rumors of this sort. It is said that the People's Political Council probably discussed all these questions. However, nothing definite is known.

OBSERVER.

Chungking, Nov. 17, 1938

Beggars' Friend

The Editor, *China Weekly Review*:

Thank you for your work regarding clothing for the refugees. We are checking up on the needs of children in refugee camps and shall soon try to cover the squatters' villages and the street children. I believe that it will not be necessary for any child to be cold this winter. Please tell all interested friends to bring beggar children to us, and we will care for them. This will do more for them than merely giving a copper, and will clear the streets of begging, criminal children.

(Mrs. W. A.) Isabelle Lewis Main.

Shanghai, November 30, 1938.

Good, Good Evening, Mr. & Mrs. Shanghai!

Is the Salutation each Friday Evening at 8 o'clock

Inviting you to the audience of the most widely-listened radio news commentary program on the airlanes over

Station XMHA

Agree, or disagree, it's worth your time to tune in on the

China Weekly Review
Radio Commentator

A.B.C. PRESS, SHANGHAI
Printing
in all its Branches

Your work should bear our imprint

SWAN, CULBERTSON & FRITZ

Investment Bankers and Brokers in Securities and Commodities.

Daily New York and London Stock Exchange Service.

Sassoon House Telephone 11200

I. D. EMULSION of COD LIVER OIL

an ideal nutrient

Excellent Quality

Reasonable Price

Invaluable as a Tonic for All Ages

INTERNATIONAL DISPENSARY, LTD.

洲五
油肝魚白乳
品出房藥洲五

密勒氏評論報
The China Weekly
REVIEW
Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

Volume 87 Shanghai, China, Saturday, December 3, 1938 Number 1

JAPAN EMBARKS ON A VAST WAR EXPANSION BOOM

IN the first sixteen months of the Sino-Japanese hostilities, the Japanese Government spent Yen 7,400,000,000 on the prosecution of the war. But even that expenditure, remarkable for a country of Japan's limited finances, is to be exceeded in the near future because war funds for the next fiscal year are being estimated from Yen 4,000,000,000 to Yen 5,000,000,000. This will bring the present combined total cost of the war for the period to between Yen 11,400,000,000 and Yen 12,400,000,000.

Prior to the outbreak of the present war, conservative Japanese financiers regarded Yen 10,000,000,000 as the utmost limit of the country's bond issues, covering domestic and foreign debts. But that figure has long since been passed; in fact the so-called "red ink" bonds issued to finance the present war, as indicated in the preceding paragraph, have exceeded the country's previous bond issue which was about Yen 6,000,000,000. But the spending of war funds has had a magic psychological effect, as indicated by the former Finance Minister Okinori Kaya, who declared in the Diet that as Japan had spent Yen 2,000,000,000 on the Russo-Japanese war, the remarkable expansion of the country's economic power since "would enable Japan to spend between Yen 20,000,000,000 and Yen 30,000,000,000 on the present struggle and an equal amount on the expected second war with the Soviet Union." The Japanese estimate their present national wealth as valued at Yen 252,000,000,000. Therefore, an expenditure of Yen 20,000,000,000 would only be 8 percent of the national wealth, according to Mr. Kaya.

Japan's expansion into the "big money" brackets is not confined to Japan proper, but extends to enterprises on the continent, particularly the puppet state of Manchukuo. Prior to the outbreak of the so-called Mukden incident in the fall of 1931 resulting in the Japanese intervention and occupation of all of China's northeastern provinces, Japan's biggest investment on the continent was centered in the South Manchuria Railway and subsidiary industrial and mining activities which were capitalized at Yen 700,000,000. Japan received this railway as her share of the division of spoils following the Portsmouth treaty which ended the first Russo-Japanese war.

No one knows just how much money Japan has dumped into Manchuria since her occupation of that territory because much of it has been of a secret military character in preparation for her next war with Russia, but it has been estimated that the expenditure has well exceeded Yen 2,000,000,000.

It was significant that the Kwantung branch of the Imperial Army turned to Yoshisuke Aikawa, Japan's leading war-time financial magnate to head the so-called Manchukuo Heavy Industries Company. Shinji Yoshino, former Minister of Commerce and Industry was appointed vice-president of this concern, but chief interest was centered on Aikawa as he was expected to pave the way for the investment of vast sums of foreign capital in Japan's developmental schemes on the Continent. Aikawa was largely responsible for the development of the gigantic "Nihon Sangyo K. K." or Japan Industrial Company, Ltd., but better known as the Nissin Company, or more recently "Mangyo."

According to an article in the March number of *Contemporary Japan*, the Nissan Company had 18 affiliated and 130 related concerns with a total capitalization of Yen 800,000,000. When Mr. Aikawa was a boy he invented a method of shooting an air-rifle that allegedly enabled him to bring down 140 sparrows in a day's hunting. The experience stood him in good stead, for the Nissan Company which he promoted embraced most of the concerns which were earning big profits by supplying munitions and other war materials to the Imperial Army operating on the Continent.

Upon the Army's recommendation he went to Manchukuo and organized the "Manchukuo Heavy Industries Company," capitalized at Yen 450,000,000 supplied by the Manchukuo Government and the Nissan Company. The company took over many of the most important industries previously operated as subsidiaries by the South Manchuria Railway, and added some new ones such as the manufacture of motorcars and trucks and an airplane factory. The writer in the Tokyo magazine regarded Aikawa as a sort of Japanese counterpart of Harriman, Rockefeller and Henry Ford.

According to a later article referring to the Nissan Company, published in the December *Hanashi*, its capital has been expanded from Yen 800,000,000 last March to more than Yen 2,000,000,000 at present. As for its Manchurian "baby" the Manchukuo Heavy Industry Company, it also has expanded in equal proportions. In the course of the year it has invested Yen 12,000,000 in Manchurian Mining Co., Yen 16,000,000 in Manchurian Coal, Yen 6,500,000 in Showa Steel Corporation. Its investments for the first half of the present year in the new state exceeding Yen 173,000,000. Adding the company's domestic investments in Japan, estimated at Yen 256,000,000, it brought the total of the Nissan Company's investments to Yen 429,000,000, a record for all time in Japan for any company within the brief period of six months.

Since then the investments of this company in Manchukuo have continued to expand at a phenomenal rate, Yen 16,000,000 more went to the Manchurian Coal Mining Company, Yen 12,000,000 additional to Manchurian Mining, Yen 1,600,000 to the new Dowa Automobile Co. The new Manchuria Aircraft Company took Yen 5,000,000 and another concern known as Eastern Frontier District Development Company absorbed Yen 6,800,000. In addition to these large out-

lays, the Nissan Company, through Manchukuo Heavy Industries, will shortly invest Yen 25,000,000 more in Showa Steel Works. Coal, automobile, mining and aircraft subsidiaries will, by the end of the year demand new capital to the amount of Yen 200,000,000, according to the writer of the article. A published list of 20 subsidiaries all promoted in Manchukuo within the year, had a combined capital of Yen 1,000,000,000. The writer said, however, "if account is taken of its own capital and some indirect subsidiaries, the total capital would be Yen 2,000,000,000. As a result of these adventures into big figures, Manchukuo Heavy Industries must shortly double its capital to Yen 900,000,000. The correspondent for *Domei* enthusiastically announced (Nov. 27) that American, Italian and German capitalists would be "invited" to invest in Manchukuo Heavy Industries and it was "rumored" that an American company had offered to cooperate in large-scale production of motorcars "50,000 for the first year, 150,000 the second and so on."

The South Manchuria Railway was expected to invest no less than Yen 350,000,000 in 1939-1940, while the Hsinking Government, not to be left out of the big money class, announced the expansion of its budget from Yen 304,000,000 this year to Yen 380,000,000 next year, an increase of Yen 76,000,000.

CHINA SENDS A SCHOLAR AS HER AMBASSADOR TO U.S.A.

(St. Louis Post Dispatch)

TO replace Dr. C. T. Wang, who has resigned as Ambassador to this country, China is sending a man widely acclaimed as its most brilliant citizen. He is Dr. Hu Shih, American-educated philosopher, who has earned the name, "Father of the Chinese Renaissance." This is in honor of his work in raising the Chinese vernacular to the dignity of a written language, and thereby contributing vastly to the country's unification. Beyond his scholarly pursuits, Dr. Hu has been active in molding Chinese political and governmental affairs, though never in public office.

Long a determined pacifist, Dr. Hu stood for non-resistance during the years of foreign exploitation suffered by his country, and even through Japan's conquest of Manchuria. But Japanese tactics were at last too much for him. In a brilliant article, written in June, 1936, Dr. Hu stated that Japan was forcing China to fight back, and if war came, he would favor it. Since the beginning of China's gallant resistance last year, he has supported the Government by every means in his power.

The United States is honored by China's selection of this outstanding public figure and foremost scholar as its envoy to Washington.

BOMBING OF "MILITARY OBJECTIVES" IN NANCHANG

A resident of Nanchang, capital of Kiangsi province, recently wrote the following letter to his wife in Shanghai.

"Yesterday was the worst air raid we have ever experienced because it was blind bombing—anywhere and everywhere—in the city. Poor, poor people, their homes were in flames and the bodies of some of their dear ones were scattered on many parts of the streets. It was wanton destruction and murder, because none of the victims were soldiers. One bomb was dropped in the Nanchang Hospital compound behind the Out-Patient Department building and flying shrapnel struck some of the patients in the wards. Three bombs were dropped in the Baldwin School compound—and as a result the buildings are in a poor condition. Just think, over 200 bombs dropped in all . . . . Of course we were somewhat scared, but somehow we felt confident in God's protecting love and care . . . ."

NEWS AND VIEWS OF THE "AXIS" AND "ANTI-COMINTERNERS"

A two-column report from Tokyo, published in the Shanghai morning newspapers on Tuesday of this week quoted the spokesman of the Japanese Foreign Office to the effect that the new Japanese-German "culture-pact" contained no secret provisions for Japan's imitation of Hitler's anti-Jewish restrictions and persecutions. "Japan will respect the characteristic features of German culture, but the agreement has no connection with the treatment of Jews," said the spokesman.

But despite this assurance, *Domei* reported from Tokyo—less than 24 hours later—that the Japanese military authorities had decided to refuse permission for Jews deported from Germany to land at Tientsin, "on the ground that most of them were communists." It was reported that Jewish residents of Tientsin had made preparations for caring for some 2,000 refugees expected to arrive there shortly.

WHAT NEXT, LITTLE MAN?

Elderman in the Washington Post

The so-called "culture-pact," strangest document in the realm of international diplomacy, contains four articles, a preamble and considerable explanatory material by official spokesmen on both sides. While much was said about the exchange of so-called cultural activities such as science, fine arts, music literature, films, radio, youth movements, there is a general feeling that the pact covers, or shortly will cover a more sinister agreement providing for military cooperation against America, Britain, France, China and the Soviet Union.

Whether or not the "culture-pact" contains secret clauses pertaining to anti-Semitism, it is more or less obvious that Japan's mental aptitude for imitation will shortly cause that country to embrace Dr. Goebbel's anti-Jewish programs, if not pogroms. Foreigners, particularly missionaries (especially the Catholic Jesuits) have not forgotten the persecutions of Christians and even the killings of priests and massacres of Japanese converts which took place not so many decades ago in the Island Empire.

Thus far, fortunately, the Japanese have not displayed the intemperance and lack of restraint which have characterized German reactions to local criticism of Nazi anti-Jewish atrocities. For example a local American news commentator has been the recipient of anonymous communications, accusing him of being a Jew, or "being bribed by these damned people." In another case, an attack on the Editor of *The China Weekly Review* by a local White Russian Fascist organ, charged that all members of the editorial staff of this journal as well as numerous other American newspapermen in Shanghai, "were dirty Jews."

The best answer to such allegations of Nazis, White Russian Fascists—and Japanese—that all criticism of Nazi atrocities are inspired by Jews, is the statement that the recent atrocities in Germany have had the effect of causing the whole world, irrespective of race or creed, to rally to the assistance of the persecuted Jews who have become objects of universal consideration, while those

responsible for the atrocities have become the objects of general condemnation and loathing on the part of decent humanity everywhere. An example of this is provided in the fact that recent committees formed in the United States to combat anti-Semitism contain the names of leading citizens throughout the country, most of them non-Jewish.

As suggested in the heading over these paragraphs, chief interest is attached to possible repercussions resulting from the signing of the so-called "culture-pact" between Japan and Germany. As one provision of the pact covers the exchange of students between the two countries—already put into effect last summer—it was interesting to note some of the statements of Japanese students who recently returned from their trip to the Reich.

One boy, Kyokan Akizuki, 24 years old, native of Kyoto declared,

> "From the spiritual point of view, I had nothing to learn from Germany. I have found that the spirit of Nippon by far surpasses Germany and I have returned home with joy over the fact. . . . An ardent desire was expressed for a German version of the Japanese tale of the Byakkotai and particularly great interest was taken in the psychology of samurais as manifested in the harakiri . . . ."

Another youth, Chizato Yamaguchi, 21 years old, of Tokyo, said that in view of the loud outcry raised in Japan over control of commodities, savings and economy, it was interesting to observe the great difference between conditions in Japan and living conditions of the German people. For instance, "the food that was served at the receptions given in our honor by German state ministers was composed of potatoes to the extent of from 30 to 40 percent."

A boy from Nagoya named Hokō Matsui, 17-years, said,

> "I realized the greatness of the German people for their preparedness and readiness to sacrifice themselves in the cause of national defense . . . .I was surprised to see both males and females wearing patched, plain clothes while walking in the streets of Berlin. I was also surprised to see that although plain and patched, their clothes were all clean."

Aside from these revealing reports about conditions in Germany as noted by observing Japanese youths, the Japanese newspapers have recently discovered numerous similarities in the two countries and their peoples. For example, the *Asahi* said that "the main part and system of government which the Meiji Government created can be said to have been modeled after the German system . . . . if we are to speak of a 'fever of admiration for foreign things' in the world of learning, it simply means 'German worship' in the final analysis."

Since Japan's social and industrial life as well as her "daily manners and customs" were in process of being Americanized—to quote further from the *Asahi* it has now become necessary to relegate American influences to the background . . . . since by the cultural agreement which has been concluded the systematic and permanent interfusion of German and Japanese civilizations is to be promoted, we may look forward to the elevation of Japanese cultural standards by means of the advanced German science and art and at the same time to the fusion into our social life in general of the fresh and lively spirit of rising Germany characterized by simplicity, strength, effort, toil and perseverence, totally different from the American spirit."

One hopes that the significance of this statement will not be overlooked by Americans in the Far East who have heretofore prided themselves on the spreading influence of American ideas and ideals, particularly in the fields of science as applied to enhancement of human welfare, industrial and managerial technique and democratic political ideology. American officialdom who have adopted a repressive attitude toward political self-expression on the part of American communities in the Far East, should take particular note of these developments in Japan which may turn out to be the most serious of all in their ultimate effect on the relations of Occident and Orient.

While much has been heard in the press and among Washington officialdom regarding the necessity of combatting Naxi propaganda in Central and South America, little has as yet been said about a similar or even worse menace in the Orient from both German and Japanese sources. We imagine that the signing of the "culture-pact" will shortly be followed by so-called "anti-comintern" propaganda drives in China which will actually be diracted at the undermining of American or Anglo-Saxon influence.

That the Nazi-Japanese culture-pact bodes no good for America or Americans is indicated in the daily German *Transocean* messages which are broadcast to the press and public in Shanghai and elsewhere in the Orient. For example, *Transocean* quoted Foreign Minister Ribbentrop as declaring,

"For what else but this Jewish Bolshevist disintegrating propaganda, for example, is behind the new wave in the United States, of abuse against Germany where an attempt is being made to set the fairminded part of the American people in mass psychosis against Germany which has nothing against the American people."

Another statement charged that while the United States was expressing indignation at Germany's anti-Jewish activities, the United States had refused to accept Jewish immigrants from the Reich—which statement was quite false as many thousands of German and Austrians Jews have entered the United States *beyond* the legal restrictions on foreign immigration generally. A recent report told of President Roosevelt's action in extending visa permits for German Jews numbering between 12,000 and 15,000, to continue to reside in the United States pending the finding of places of permanent residence.

The American authorities also should be interested in the statement in the *Nichi-Nichi* that the cultural agreement "might be regarded as a preparatory and suitable step toward the conclusion of economic and military agreements."

The Way to Anglo-Japanese Friendship

By Edwin Haward, former editor of the North-China Daily News, in the London Magazine, "Great Britain and the East"

UNDERSTANDING between Great Britain and Japan may be more readily achieved in the light of the new developments in Europe. It would be unfortunate, therefore, if certain efforts to further that understanding were allowed to raise false hopes and base themselves on false issues. Nowadays it is recognized that international co-operation can be effected between differing systems of government so long as each individual nation is prepared to forgo criticism of the other's predilection.

Champions of Japan in England are apt to fasten the blame for Japan's unfriendly attitude on the British Press which is criticized for unfairness in discussing the Sino-Japanese conflict, for undue faith in exaggerated tales of Japanese excesses. Criticism even extends to allegations that British actions on the spot have been lacking in tact or consideration for Japanese susceptibilities. This line of thought unwisely flatters specious arguments which are assiduously employed by Japanese for the want of more solid material to justify the launching of an unprecedented aggression on the soil of a weaker neighbor. It quaintly enough finds currency among those who in the past have conspicuously neglected standards of international amity by maintaining a ceaseless flow of animosity in exposing

the defects of China and in lecturing her leaders in season and out of season.

Even now such critics dismiss Japan's undoubted lapses in the conduct of the campaign by resuscitating tales of Chinese corruption, evasion, and anti-foreignism. The moral, if the term can be used, is that the real international crime is an inability to defend oneself. Japan's feelings have to be considered because she has battleships, tanks, and a mighty army. China's can be ignored because she is physically helpless.

Absurd Arguments

So the discovery of a biting phrase of sarcasm in a leading article of *The Times* is made the excuse for Japanese actions ranging from the machine-gunning of friendly neutrals to the commission of appalling atrocities in Nanking. A "tactless" action by a British soldier who sees Japanese machine-guns shooting down Chinese civilian refugees whom he is risking his life to save weighs heavily against flagrant Japanese obstruction of legitimate foreign trading rights. This kind of argument defeats its purpose, for instead of allaying distrust of Japanese intentions it merely evokes rebutting evidence which, in the interests of appeasement, it were desirable to forget.

Japan cannot be expected to relish criticism of her political institutions. She cannot divest herself of responsibility for the policies which they evolve. Rightly or wrongly they have permitted a military clique to force its theories of "positive" action on a reluctant but eventually complaisant government by a progressively developed series of *faits accomplis*, ever since September, 1931. From Mukden to Tsitsihar to Harbin; from Manchuria to Manchukuo, from Manchukuo to Jehol, Inner Mongolia, North China; from North China to East Hopei, its autonomous regime and its orgy of smuggling in defiance of China's sovereignty and in detriment to China's revenues, the trail has lain.

Last year the Chinese Government called a halt to save its political existence. The choice was fateful. The odds were enormously against defenders of soil on which Japanese erosion had already worked such havoc. Ostensibly seeking economic co-operation from China, Japan, at the bidding of her militarists, has now shattered the market on which she depended.

Statement of the case thus does not imply criticism beyond what it intrinsically carries. It merely disproves absurdities which for Japan's present attitude would blame the abandonment of the Anglo-Japanese Alliance, the investigation (at Japan's express request) of the Manchurian issue by the Lytton Commission or the British Government's refusal to deny China the recognised facilities of commerce. Japanese public opinion is not aware that German and Italian munitions have bulked more largely in Chinese imports than British supplies, any more than it knows of the many apologies which the Government in Tokyo has had to make for military lapses involving friendly neutrals in China. That ignorance cannot be blinding the eyes of critics outside Japan.

How, then, can the process of restoring understanding between Japan and Great Britain be best approached? Surely it must be by taking the facts as they are, by standing firm on the traditions of British friendship both for China and for Japan, and by dissociating action to safeguard British interests from any endorsement of Japanese policy.

Britain's Good Offices

Even now it is impossible to foresee the outcome of the military struggle. Some say it will mean a completely Japonified China; others, while recognizing the significance of Japanese gains, doubt that possibility. One thing seems certain: sooner or later Japan and China, in one way or the other, will be working in friendly accord. Taking the cue from Munich they might move to that termination of their struggle earlier than they expected. British good offices for both sides might then be of real benefit to peace. They could not operate if, by departure from neutrality in giving countenance to Japanese interpretations of the conflict, the Chinese were made to feel that British principles had been betrayed by subservience to the big battalions, that British friendship for China had been sacrificed to a dubious sense of commercial advantage.

Shanghai Power Company Display

The display counters at the S.P.C. are loaded with lovely shining holiday gifts: beautiful electrical appliances priced for every pocketbook. Thrill the family with a percolator and waffle iron, think how good the golden coffee and the crisp brown waffles for year round delight, or give a streamline toaster, a tea kettle; any one of these fascinating electrical appliances make beautiful and lifelong gifts.

The new high piled curls need the attention of a curling iron give her a convenient electric iron that she can plug in on any outlet. Here are lamps too, for utility and charm; slender modern I.E.S. lamps for the bookworm or the student; gay little lamps for feminine rooms and attractive larger types in myriads of colors and sizes. Cosy electric blankets and pads are a cheerful gift for chilly people who freeze all winter, they're an excellent nursery gift too. A tempting collection of electric clocks are on display; these handsome modern appliances run in exquisite silience and never stop.

Anyone from young Junior to Grandfather will adore one of these. There's a gift for the whole family among the medley of shining electric appliances on display at 181 Nanking Road. The Home Service Dept. welcomes you to their showrooms during these "before Christmas" weeks. To explain these exciting appliances and help you choose, is this department's fascinating job. They say "come in anytime."

Washington Rejects Quezon Proposal

Accompanied by a statement expressing President Roosevelt's approval, a summary of the three-volume report of the joint United States-Filipino preparatory committee on Philippine affairs, which was created in April last year, was issued simultaneously in Washington and Manila Nov. 29. The report makes recommendations "for the purpose of correcting imperfections and inequalities in the Independence Act of March 24, 1934, and making more certain and more definite future United States-Philippine commercial relationships."

The committee rejects the proposal of Senor Manuel Quezon, President of the Philippine Commonwealth, to advance the date of Philippines' independence on July 4, 1946, under the existing law, to 1938-39, but would extend from 1936 to December 31, 1960, the gradual elimination of United States preferences for Philippine products. The report also contains a number of recommendations relating to future trade relations, both prior to 1946 and for a period of 15 years after the attainment of political independence, certain financial questions, and an adjustment of Philippine's national economy to meet her requirements as an independent state.

New Airport For Tokyo by 1941

Tokyo was assured of a new municipal airport Nov. 27 when the Finance Ministry approved the granting of Y3,000.000 subsidy by the Ministry of Communications, included in the departments budgetary estimates for the next fiscal year. The appropriation will allow the beginning of construction work on the project which is scheduled to be completed by 1941 at an estimated cost of Y12,000,000. It will be larger than the Haneda International Airdrome. An additional Y2,000,000 was also approved for the expansion of the Fukuoka airport.

Savoy Grenadiers Sail for Home

Eight hundred Italian troops of the Savoy Grenadiers left Shanghai for home aboard the Lloyd Triestino liner Conte Verde on Nov. 28. Four hundred pupils of the Japanese Western District Primary School carrying flags gathered at the Hongkew wharf to bid the troops farewell. Pupils of the Japanese Central, Northern and Eastern Primary Schools also gathered at the dock. Japanese Naval Special Landing Party bluejackets and troops of the French, British and American defense forces were represented at the leavetaking ceremonies.

87-010

Itagaki Boasts of Japan's Ability to Defeat China-Russia

LIEUT.-GENERAL Seishiro Itagaki, Imperial War Minister at Tokyo selected a receptive audience to listen to his address on Nov. 28 when he declared that Japan was now ready to take on as opponents both China and Russia in the execution "single-handedly and independently" of her continental policy.

General Itagaki's audience consisted entirely of the proprietors of Japanese munition factories.

The War Minister was followed by Lieut.-Gen. Hideki Tojo, Vice-Minister of War, who went even further by declaring that Japan "now faced operations against the Soviet Union *and China*, therefore new armament must be built up "on a two-power standard."

One wonders whether Gen. Itagaki didn't have a possible American Munitions embargo in mind when he announced, later on in his address that the termination of the hostilities was still far in the future and since Japan was determined to continue the war, it would be necessary for the munition makers to exert themselves to the utmost. Heretofore Japan has been purchasing most of her basic materials from which munitions are made from Manufacturers in the United States, but the growing storm of disapproval of this traffic is likely to make itself heard in the next session of Congress (January) to such an extent that President Roosevelt may be compelled to place an embargo on such shipments.

Gen. Itagaki declared that there could be no termination of the war until two conditions were realized:

1.—Complete reorganization of the National Government with a drastic change in personnel.
2.—Rallying of the Nationalist Regime to the banner of the new Chinese set-up which the Japanese Army is planning shortly to bring into existence.

Simultaneously with Gen. Itagaki's declaration of Japan's military might, the leading Tokyo daily, *Kokumin Shimbun*, announced the chief points of Japan's new "positive plan" which is the outgrowth of Japan's present military occupation of a considerable portion of China's national domain and expectation of occupying the entire country. The program, consisting of six points, does not greatly differ from Japan's declaration of intentions at the time of the creation of the Manchukuo Government, except that the present program expressed Japan's ideas with regard to the creation of a military-political-economic "bloc" embracing Japan-China-Manchukuo. The following are the chief points of the plan:

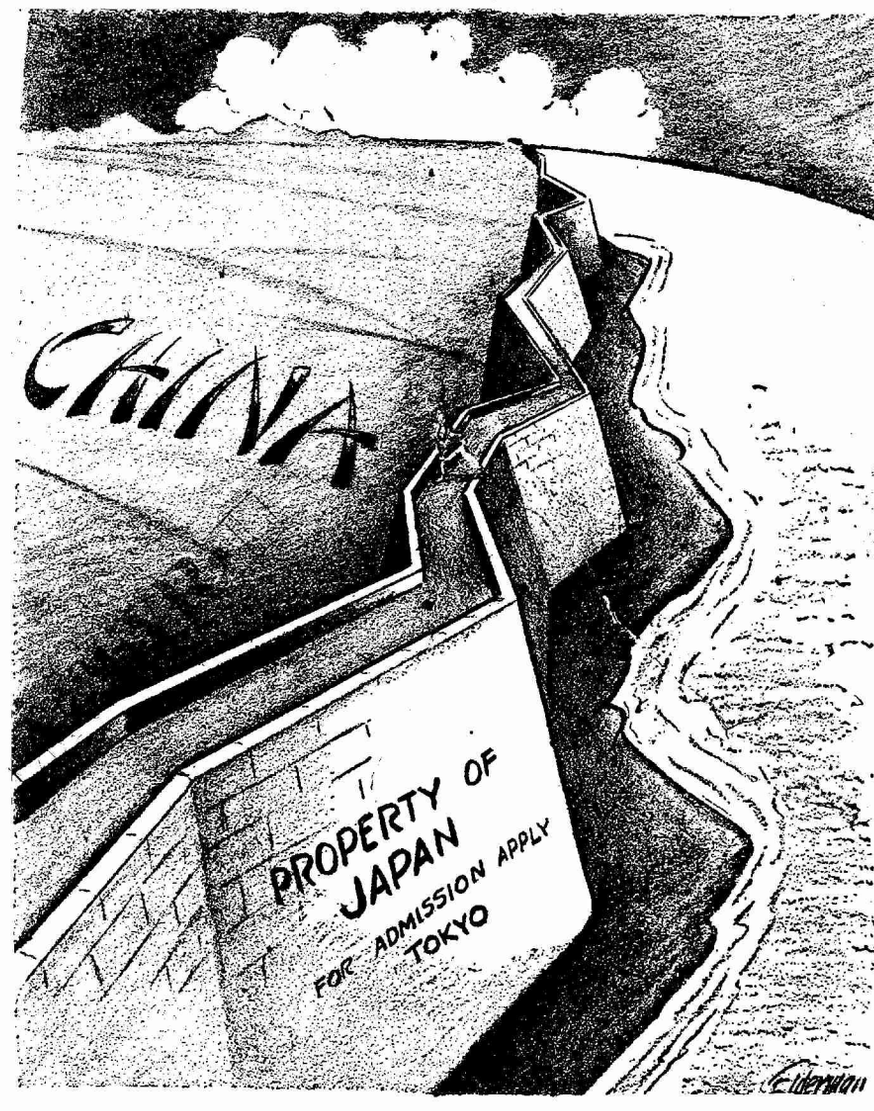
1. All treaties and contracts bearing a political complexion and which circumscribe China's sovereignty, including the Nine Power Pact, must be renounced or revised;
2. All public utilities or public services in China, including communications, foreign exchange, railways and the control of foreign trade, must be conducted by China independently as Japan cannot allow foreign powers to interfere in such undertakings for fear of reducing China to a semi-colonial country for the Western powers;
3. Japan's predominance in the fields of national defense, political administration and economy in China must be recognized by foreign powers;
4. Economic activities of nationals of third powers in China must be limited within the extent of China's independence and her national defense must not be hampered;
5. Japan's co-operation with China in the field of national defense, political administration and economy will be incomparably more extensive than that of foreign powers because Japan has vital relations with China in matters of national defense and economy; and
6. New China must not be interfered with by third powers in the development of her national resources necessary for the defense of East Asia and the management of various undertakings and industries necessary for military purposes, including railways, harbors, shipping, the munition industry and motive power industry.

Ways and means of developing Continental Asia (for the benefit of Japan) were discussed at the so-called Japan-China-"Manchukuo" Economic Conference held at Tokyo last week. Vice-Admiral Takuo Godoh, former Minister of Commerce and Industry, stressed the need of establishing an Asiatic economic bloc. Ryozo Asano, president of the Asano Portland Cement Company, said that Manchukuo, Mongolia, China and Japan could be developed into the largest iron producing center in the world. Delegates from Manchukuo and the puppet regimes in China urged the establishment of transportation facilities throughout North China and Mongolia for the joint development of industries in those parts. Chu Man-hsiang, representing Nanking, said that Central China now under Japanese occupation is rich in natural resources including manganese in Kiangsi, fluorspar in Chekiang and Anhwei and iron ore in Anhwei. Development of wool industry in Mongolia was urged by Tamotsu Sekiguvi, Japanese representative of the puppet Mongolian government.

Tang Er-ho, Peiping's Education Minister, visiting in Tokyo, to attend the Japan-China "Cultural" Conference opening on Dec. 1, told Japanese newspapermen that he was determined to build up a "common front" in East Asia under the leadership of Japan. Tang felt proud that he and several members of his party were all educated in Japanese universities.

Rumors continued to circulate that General Wu Pei-fu, former Shantung warlord, would shortly emerge from long retirement to head a puppet central government in China, which Gen. Doihara was striving to establish. The rumors, however, were discounted in political circles in Chungking where it was pointed out that Gen. Wu is well-known for his strong nationalistic sentiment, as well as his deep respect for the national tradition. Chungking believed it was inconceivable that a man of Wu's calibre could be induced to serve as a tool of Japanese invaders, especially in view of his advanced age. Reports about Gen. Wu's

THE NEW WALL OF CHINA



Elderman in the Washington Post.

alleged political ambitions or activities were regarded as an insult to him and a slander on his character. Such reports merely indicated that the Japanese were dissatisfied with their present puppets, such as Wang Ke-min, Liang Hung-chi and the like.

Liang Hung-chih, who headed Nanking's "tribute-bearing" mission to Japan, returned last weekend after a 10-day stay in Tokyo. He announced he had told Japanese officials that two prerequisites for the realization of economic co-operation between China and Japan were the restoration of peace and order in China and the Japanese consideration of the feelings of the Chinese people. The construction of a new China with the present Sino-Japanese conflict as turning point, he emphasized, necessitated a pro-Japanese attitude on the part of the Chinese people. The maintenance of peace and order in China, he added, could not be realized without assistance from Japan Before returning to China, Liang visited Osaka and Kobe.

Plans for the creation of a new central government in China were advanced on Nov. 28 when a "mass meeting" was convened in Nanking. The meeting took the form of a "National People's Congress," attended by delegates from Japanese occupied areas in Chekiang, Kiangsu, Anhwei and other provinces including Shansi and Hopei.

Addressing the gathering, Liang Hung-chi and Chen Chun (Nanking's Minister of Interior) spoke on the importance of Sino-Japanse co-operation, anti-Communism and the formation of new central government. They urged the delegates to "put forth strenuous efforts for the realization of these objectives."

Wen Tsung-yao, head of the Judicial Yuan, declared that establishment of a central government would take place after the creation of new administrations in Hankow, Canton and in Kwangsi province. The Joint Commission of the Nanking and Peiping regimes was scheduled to hold its third meeting in Nanking in the middle of December, when definite steps would be taken to hasten the creation of the all-China government. Wen alleged that Kwangsi was secretly co-operating with Nanking.

A Salt Affairs Bureau will shortly be established in Nanking to control salt production and distribution, according to Japanese report. This projected organ is expected to be revenue-producing.

A so-called China East Sea Red Suppression Force was formed at Hsuchow, with Li Kuan-ying as commander.

Puppet administrations were set up in both Wuhan and Canton last week. In Hankow, a Wuhan Peace Maintenance Commission was formed (Nov. 25), with headquarters in the ex-British Concession. The Commission was headed by Chin An-jen, described in Japanese reports as a "very prominent" Chinese merchant. The inaugural speech was delivered by Kin Lung-chang, a former subordinate of Gen. Wu Pei-fu. No foreigners were present at the ceremony, which was witnessed exclusively by Japanese military and naval officers and their Chinese puppets.

The desire to facilitate transportation of Japanese war dead from the northern Hupeh front was cited by *Domei* as the principal reason spurring Japanese military engineers to speed up repairs to the badly-wrecked southern section of the Peiping-Hankow Railway. Immediately after the repairs were effected, three urns containing the ashes of war dead were sent to Hankow. The three war dead were Major R. Kuroda, Lt. S. Murata and an unidentified non-commissioned officer who were killed in northern Hupeh by explosion of a land mine.

A Canton Autonomous Commission was formed on Nov. 27. Lu Chung-jung, ex-Kwangtung militarist, was named Chairman, and Chen Chang-tao, vice-Chairman.

According to Katsuo Okazaki, Japanese Consul-General, Canton's population is steadily growing and nearing the million mark. Okazaki is now in Tokyo, reporting on conditions in Canton following Japanese occupation of that city. He said destruction in Canton was not as extensive as reported.

Mayor Fu Siao-en of Shanghai narrowly missed death on Nov. 25, when an attempt to assassinate him was made in front of his headquarters at Kiangwan. A Japanese gendarmerie sergeant named Sojuro Tokuya, who was acting as bodyguard, was killed. The principal Chinese assailant made good his escape, but another Chinese, suspected as an accomplice, was shot and killed by Fu's Chinese bodyguards. Reports were conflicting as to whether Fu was wounded or not.

Japanese military police investigating the case suspected a Chinese policeman as being responsible for the murder attempt. Consequently, several Chinese policemen and a number of other Chinese municipal employees were placed under arrest. Subsequently, Chow Wen-shan, a minor official under Fu, allegedly was identified as the principal assailant and was executed.

According to Chinese reports, Fu is in the Japanese Foo Min Hospital, recovering from a nervous-breakdown as the result of the shock he experienced as a result of the attack. Fu was expected to remain in the hospital for about 10 days, during which time Wang Chang-chun, formerly Counsellor to the City Government, will act as "Mayor" Wang is a Japanese returned student who has close association with many Japanese.

Speculation was rife as to who were really behind the murder attempt on Fu. Strong suspicion was attached to Soo Hsi-wen, former Mayor of Pootung, whom Fu now replaces. Soo was alleged to be involved in the assassination plot.

Fu Ping-kuei, son of Fu Siao-an, denied reports that he was being made manager of the projected "Shanghai Municipal Bank" which the Shanghai municipal government was planning to establish. The bank would be capitalized at $1,000,000, of which a certain Japanese had agreed to subscribe to the extent of $500,000. The following persons were reported to have been appointed members of Board of Directors of the bank: Li Ting-shih, Chow Yu-chang, Yu Pei-lin, Shen En-yi, Tsao Yi-tsai, Fu Ping-kuei, Chu Wen-shan, Yu Chu-shen, Hsieh Tao-ting and others. The preparatory committee of the bank is located in a building owned by the Bank of China (now confiscated by the Japanese) on Jessfield Road.

Shang Yu-chin, head of the terrorist organ "Yellow Way Society," is said to be detained by the Japanese in Hongkew. Yu is being held as the principal instigator of the murder of Yu Ta-hsiung, high official of Nanking's Ministry of Industry," at the New Asia Hotel some months ago.

In memory of the Japanese officers and men of the original expeditionary force to Shanghai killed in action, the Japanese military authorities have erected a huge granite memorial at Tazang, scene of bitterest fighting during the Shanghai hostilities last year. Unveiling ceremony is scheduled to be held on Dec. 8.

In recognition of his philanthropic activities and loyalty, the National Government issued a mandate, eulogizing the late Wang I-ting, who died recently in Shanghai.

Permanent collaboration between the Kuomintang and the Chinese Communist Party in the task of national reconstruction, under the leadership of Generalissimo Chiang Kai-shek, was one of the most important resolutions adopted by the recent plenary session of the Central Executive Committee of the Chinese Communist Party, held at Yenan, Shensi. The necessity of close co-operation between the Kuomintang and the Communist Party for the prosecution of the campaign of prolonged resistance was exphasized.

During the session, Mao Tse-tung, Chairman of the Communist Party's Central Committee, submitted a lengthy report reviewing the past 16 months of resistance. He said that under the leadership of Gen. Chiang Kai-shek, unprecedented national progress and unity had been brought about and the country was progressing toward a new democratic era. The report outlined

Mao Tse-tung, chairman of the Chinese Communist Party, and Capt. Evans F. Carlson, Asst. U. S. Naval Attache, who made a tour of China's Northwest.

the following important tasks for immediate execution:

1. To foster the spirit of self-respect and self-confidence, to subdue the feeling of pessimism and disappointment and to oppose compromise and surrender.
2. To support Generalissimo Chiang Kai-shek, the National Government and the policy of cooperation between all anti-Japanese political parties and to denounce all puppet regimes.
3. To heighten the fighting strength of Chinese forces, to recruit and train new armies and to improve political work and technical training of the troops in order to defend the Northwest and the Southwest and stem the Japanese onslaught.
4. To extend guerilla warfare and to establish more guerilla bases in the occupied areas.
5. To improve military tactics and strategy and to establish more arsenals in order to prepare Chinese forces for counter-attacks in the future.
6. To improve political organizations in order to effect closer co-operation between the government and the people and heighten the efficiency of the present anti-Japanese government.
7. To enlarge the present mass movement and to promote the organization of public bodies in order to mobilize the masses in the present war of resistance.
8. To enhance popular enthusiasm in armed resistance and productive enterprise and to improve the livelihood of the masses.
9. To put into execution the new war-time financial policy in order to increase the national revenue and to cut down national expenditures.
10. To enforce the national defense education in order to convince the masses of the significance of the present war of self-defense.
11. To concentrate all national strength against Japanese Fascism and militarists, and to improve international publicity work in an effort to win international support and to urge foreign Powers to apply sanctions against Japan.
12. To form a united front with Japanese, Koreans and Formosans who are opposed to Fascism.
13. To unite all the peoples and racial groups in China so as to increase our national strength.
14. To exterminate Chinese traitors, including Trotskyists and to strengthen China's front and rear.
15. To strengthen the united front of the Kuomintang and Communist and other parties.

The *Hsih Hua Jih Pao*, the Communis-

87-012

Party organ, in an editorial on Nov. 28, strongly advocated continuance of the "Scorched earth policy" in case of a Chinese withdrawal from important cities. The paper recommended that in such cases, the Chinese should demolish:

(1) Defence works and city walls in order to facilitate a Chinese counter-attack in a later stage of the hostilities;
(2) Principal highways and railways, thus inconveniencing the Japanese transportation of troops and supplies; and
(3) Barracks, public structures, factories, machinery, tramcars, railway rolling stock, railway stations, telegraph, telephone and electric wires and poles.

Before the withdrawal, however, the authorities must evacuate machinery, food supplies, schools, cultural institutions, wounded soldiers and able-bodied men, continues the Communist paper. All able-bodied men, adds the article, should either be organized for transportation work, or for guerilla warfare in the vicinity of the evacuated cities.

The Bank of Communications will soon open a branch office in Manila. Opening of the branch, according to a Japanese report, constitutes an attempt by the Chinese Government to gain financial support from Chinese residents in the Philippines. The Bank of China is said to have already opened branches in Hanoi and Singapore.

Commenting on the postponement by Hitler, for three times, of the date for the presentation of credentials by Chen Chieh, new Chinese Ambassador to Germany, the *Shun Pao*, leading Chinese daily in Shanghai, demanded the recall of Mr. Chen immediately. Declaring that relationship between Germany and Japan was very close, the paper pointed out that the German military advisers were recalled by Hitler and the German official spokesman had repeatedly expressed views in favor of China's enemy. Although China is determined to resist Japanese invasion, China has not done anything hostile to Germany. That Germany should take such an action to insult China's diplomatic representative constitutes an insult to the entire Chinese nation.

Dr. Cheng Tien-fang, former Chinese Ambassador to Germany, declared that during the first few months following the outbreak of the Sino-Japanese war, Germany was quite sympathetic towards China's cause, but after the Austro-German anschluss, the relations between China and Germany began to take a turn for the worse. Dr. Cheng expressed the hope that Germany would change her present attitude toward China.

Sun Fo, President of the Legislative Yuan, who visited Moscow twice this year, will shortly proceed to Russia again. He was said to be leaving in the middle of December.

If China can continue the present campaign of resistance for another six months, stated the *Moscow Economic Monthly*, she will emerge victorious. Declaring that China is in possession of vast territory and her 450 millions of people are hard working, the Moscow paper emphasized the unity of the nation brought about by the Japanese invasion. Under the supreme leader, the Chinese people are fighting for a common purpose and all that the Japanese have succeeded in doing in the past 16 months of warfare is nothing but the control of a few communication lines. The Moscow journal believes that after another six months, Japan will be unable to finance her campaign or to send any man to replenish her losses in China.

China's endurance in face of suffering was highly praised by Dr. M. Atal, leader of the Indian Medical Unit, now in Chungking. "Never have I seen such ability to bear suffering and such philosophical endurance and physical misery as the ordinary Chinese soldier exhibits," declared Dr. Atal. Dr. Atal's opinion was echoed by other members of the unit, who all admire the qualities of their patients.

Another high official punished on account of the disastrous fire at Changsha was Hsi Chu-lin, Mayor of the city. Held partly responsible for the disaster, the Mayor was dismissed from office, but instructed to remain at his post for the time being pending appointment of a successor.

In the Nov. 19th issue of the *Review*, reference was made to the flying of the Five-Barred Flag on the Post Office building on Nov. 12, Dr. Sun Yat-sen's birthday anniversary. This was found to be incorrect. According to a report in the *Chinese-American Daily News* on Nov. 27, the Nanking "Reformed Government" instructed the postal authorities to hoist the Five-Barred Flag on the Post Office building, but the latter had rejected the order.

Notes on Crime Activity Here

In one of the biggest drives on gangsterdom to have been undertaken by the S.M. police in years, well over 60 suspects were questioned at Headquarters Nov. 28 and more arrests were expected as a result of numerous raids carried out by police parties both in the Settlement and the Concession. Numerous pistols and two bombs were found on the suspects and, while officers in charge of the case were reluctant to give any further information, it was believed likely that this lightning-like series of raids, will net the biggest number of armed robbers and even terrorist behind bars.

Couple Axed

An aged former Chinese politician and his wife were attacked by three would-be assassins in their home in the Settlement Nov. 29, and as a result the pair are in a hospital, both suffering from severe axe-wounds on the head and body. The attackers escaped, and police are searching for them. The victims, Zee Ching-ping, aged 61, with his wife, Zee Shen-sze, were in their home in Zau Ka Chiao, Lane 64, House 10 off Hart Road, when three Chinese suddenly entered the house. One of them was armed with a pistol and two with axes. Just what transpired is not clear, but the three finally set on the old couple with the axes, and the man was badly cut on the hands and face, while the woman was cut twice in the head.

It was reported later the Zee was formerly an official in the old Peking Government, although this has not as yet been confirmed. The motive for the attack could not be learned.

Assassination

His body riddled by four bullets, Chu Kuo-bing, 42, former chief of the Citizens' Defense Corps of Wusih, met instantaneous death on Hoopeh Road Nov. 28 when two gunmen opened fire at him on the crowded thoroughfare. The killing occurred a short distance from Avenue Edward VII in one of the most congested sectors of the short street. A native of Changchow. Chu came to Shanghai a little more than three months ago.

Police suspected that Chu was connected in some way with the puppet regime, and therefore considered the possibility of a political motive in the murder. The two gunmen fired a total of six shots, four of which entered Chu's body and one of which pierced his heart. Death was instantaneous.

Fake General

After having been hunted by the police for a week, Chen Tsan-yuen, alias "General Chang," who allegedly conspired with two foreigners to defraud Siber Hegner and Company of $9,040, was brought before the First Special District Court Nov. 28. The 39-year-old native of Peiping insisted that he never was a general and that he had become involved in the case on a misunderstand. He was ordered held on writ until next week, when he will be tried with the two foreigners, now in custody.

The first act of the alleged fraud drama opened last April. At that time, one Stanislav Adamsky, allegedly 48 years and a Pole, approached Mr. Ed Egle, manager of the foreign firm, with a plan to sell gas-masks, medical supplies and miscellaneous army equipment to a Chinese general, called "General Chang." Adamsky allegedly told Mr. Egle that the "general" had deposited the sum of $1,000,000 in a local bank for the purchase of the supplies for the Chinese, Army. To make the story more convincing, "Chang" himself visited the firm on several occasions.

By virtue of their position as middlemen, Adamsky and C. Denisoff, a Russian accomplice, succeeded in obtaining over $9,040 from the company on the pretext of pushing the deal, it is alleged. Growing impatient, the firm urged a speedy closure of the matter. Therefore, the two allegedly brought to the firm gold pieces as deposit. An examination proved the gold pieces genuine, but by a sleight-of-hand trick they were replaced by gold-plated coins, it is alleged.

Meanwhile, the firm was said to have been informed that "General Chang" had left for Canton, and that the deal could go no further until his return. The two foreigners, arrested last week, both denied the charges.

Holland Leads Boycott Movement

"We are sure that our people do not wish their children to play with toys, the sale of which helps pay for Japanese aggression in China and causes all the pain and suffering and death which that war is bringing to the children of China," the London National Union of Tailors and Garment Workers journal wrote recently."

Appealing to the British people not to buy cheap Japanese toys and novelties as Christmas presents, this news organ asserts, "A father buying a cheap model of a bombing plane and finding stamped on it 'Made in Japan' is sure to feel some pangs of remorse!!"

Reductions

The boycott of Japanese goods has recently considerably increased in various countries, according to reports from Geneva. In the first six months of 1938, the total exports from Japan decreased by 21 per cent. compared with the same period of 1937, it is stated. Holland is leading the boycott movement in Europe with a reduction of the import of Japanese goods by 37 per cent, compared with 1937, followed by France with 24 and England with nine per cent. The reduction in the United States is 48 per cent. and in the Straits Settlements 75 per cent.

Moroccan Eggs

A new trade in frozen eggs for French pastry cooks has developed here as a result of the Sino-Japanese hostilities. This year 500 tons of frozen eggs have been supplied by a Casablanca refrigerating company to French firms which previously obtained their stocks from Shanghai and Nanking. Employment is given directly to more than 100 persons and an important outlet has been provided for Moroccan poultry farmers.

When the Sino-Japanese hostilities began, Parisian pastry and biscuit firms were at a loss to know where to obtain the frozen eggs hitherto imported exclusively from China during the season when French hens were not laying. It was found that Moroccan eggs answered the requirements of the trade—a special size of egg is needed—and refrigerating arrangements were hastily improvised in Casablanca. Organization of the industry has now been perfected.

87-013

Japan Meets Demands of 11 Shanghai Bodies with Vague Promises

WHILE 11 of Shanghai's leading foreign trade and civic associations announced a common front against trade aggressions imposed by Japanese authorities in Shanghai, many a Japanese spokesman both on China and Japan soil hastened to assure powers, as per stock answer, that Japan has no, and never has had, intentions of infringing upon the rights and interests of foreigners.

Said Kensuke Horinouchi, newly-appointed ambassador to the United States: "Japan will welcome American cooperation in achieving the establishment of a 'new era' in East Asia. In the 80 years of Japanese-American relations there have been occasional problems which caused some tension between the two countries, but these fortunately have not impaired the friendship and goodwill between the two countries."

Kenji Kodama, president of the Central China Development Company, 100 million yen officially sponsored holding firm, a monopoly: "Activities of this company will not constitute a threat to the vested rights and interests of third-party Powers in China. The purpose of the firm is solely to assist the economic development of Central China. Foreign capitalists are invited to invest in the various enterprises of the concern."

An official statement of the North China Development Company, also a Japanese government monopoly: "The company will not refuse offers of foreign investments from those powers which have a 'correct understanding of the new situation in China,' but such foreign capital will not be sought."

United Front

What could have possibly brought on these renewed flood of reasuring statements was the announcement of Shanghai's civic bodies to band together and fight Japanese aggression. Aims of the associations and chambers of commerce which have given their support to the movement, follow:

Retention of all rights under the Land Regulations and provention of encroachment on and interference with the administration of the International Settlement of Shanghai and the foreign Concessions in China, and the withdrawal of any encroachments already made. Restoration of the Hongkew, Yangtszepoo and Western areas to the full authority and control of the International Settlement as formerly exercised.

Restoration of transportation facilities including railways, shipping, commercial airways and motor highways, with access to markets and mission centers in the Yangtsze valley and other areas. Prevention and abolition of all monopolies created in contravention of the Nine Power Treaty and the Open Door Policy of equal opportunity.

Restoration of properties of their respective nationals to their rightful owners with full access to and use thereof. Discontinuance of censorship sponsored by any third Party or other interference with mails, telegrams, cables, radios, or other means of communications.

Immediate return of equipment and resumption of dredging operations necessary for the maintenance of Shanghai as a port for the use of international shipping. Insistance upon the rights of their respective nationals to pursue their legitimate interests in China on the basis of equal opportunity with the nationals of any other foreign Power. Recognition and maintenance of the extraterritorial status of their respective nationals and their interests in accordance with treaties.

British Circular

The circular letter issued by the British Residents' Association stated:—

"The situation arising out of the present hostilities and the hampering of foreign business by the continued enforcement of restrictions which can no longer be regarded as justified by military necessity have formed the subject of frequent discussion, and representations to their respective diplomatic and Consular authorities by the various national Chambers of Commerce and Associations in Shanghai.

"Indicating that responsible foreign opinion is unanimous in regard to the present situation, these bodies have now adopted a series of objectives aiming at the removal of restrictions at present hampering foreign trade and business and the maintenance of foreign rights in China as provided by Treaty and International Agreement. These objectives have been transmitted by each Chamber of Commerce or National Association to their respective Home Governments who have been notified that the objectives have been adopted by—

American Association of Shanghai, American Chamber of Commerce. Belgian Chamber of Commerce, British Chamber of Commerce and China Association, Shanghai, British Residents' Association of China, Canadian Club of Shanghai. Danish Association in Shanghai, French Chamber of Commerce, Norwegian Chamber of Commerce, Swedish Association in China, Netherlands Chamber of Commerce.

U. S. Comment

To the joint protests made by the chambers of commerce in Shanghai, the *Washington Post* commented: "The foreigners cannot abandon their fight in China. The special rights and privileges accorded foreigners in China will certainly be given up eventually, cut to the profit of China. But to allow these rights and privileges to be abandoned upon Japan's demand and to her exclusive advantage, would serve neither China for the foreign countries."

London Reaction

The "United Front" cables from Shanghai Chambers of Commerce were warmly approved in London's Far Eastern business circles, which hope that these Shanghai bodies will make further, similar efforts at pressure on their respective Governments, simultaneously communicating what they are doing to the press.

Offer Passage for Ships

YANGTSZE patrol war vessels of third-party Powers, "bottled-up" between Wuhu and Yochow since the outbreak of the Sino-Japanese hostilities 16 months ago, may soon visit Shanghai. Facilities for the passage of the seven French, British, and American gunboats from points up-river to Shanghai will be extended by the Japanese naval authorities should requests to that effect be made by the officials concerned Japanese naval authorities in Shanghai revealed Nov. 30.

The Japanese willingness to permit such a movement was conveyed to the senior American, British, and French anval officers in Shanghai in a note addressed to tehm by Vice-Admiral Koshiro Oikawa, commander-in-chief of the Japanese China Seas Fleet, Nov. 29, it was disclosed. One round-trip will be allowed to each vessel, or if necessary, one down trip by one ship and one up-river journey by another of the same nationality will be sanctioned Certain unrevealed conditions were understood to have been stipulated regarding the movements of those vessels.

There are 14 foreign war vessels up the Yangtsze River beyond Nanking now. Four are American eight British and two French . The American gunboats are the Monocacy at Kiukiang, the Luzon and Guam at Hankow, and the Tutuila at Chungking, The British vessels are the Sandpiper, Ganet Petrel, Tern, Falcon, Cockchafer, Gnat and Mantis, with the Sandpiper at Changsha and the other distributed between Hankow, Ichang and Chungking. The French boats are the Francis Garmier and the Aniral Charmer.

Nipponese Attitude

A memorandum issued by the commander-in-chief of the Japanese forces, Vice-Admiral-Oikawa, wholly independent of the Japanese government, was delivered at the press conference Nov. 29 on the attitude of the Japanese over the reopening of the Yangtsze River. The message conveyed the idea that the present situation in in areas occupied by Japanese forces must continue as long as there are hostilities between China and Japan. A further message enlarging on the subject was rea by Vice-Admiral Nomura to the conference. Questions put by the assembly were met with informative replies. The Admiral admitted that Chinese goods seized and sent to Japan for war purposes were not paid for by the Japanese.

Another question asking about the movement of certain Japanese cargo vessels on the Yangtsze brought a denial from the vice-admiral, who replied that some ships had been allowed to past the boom to make repairs, but that all other activity was under the discretion of the Japanese Navy in that area. A summary of Vice-Admiral Nomu a' Nomura's message was that since the Japanese spent huge sums and made great sacrifices to keep the Yangtze open for the continuance of their operations and since no foreign power would now be able to get up the river if the Japanese had not opened the boombs laid the Chinese, it should be realized by the interested third parties that the Japanese cannot now open the river while the war is still on.

Reason

The message went on to state that the attitude of the Chinese in carrying on their stubborn resistance was the reason for the Yangtsze not being opened to general trade. The communique delivered by the Japanese high command to the commanders-in-chief of the American, British, French and Italian forces in China, said the naval attache, was drawn up on the individual initiative of Vice-Admiral Oikawa, independently of the Japanese government, and could not be taken as an official government communication.

Not Valid

Regarding Japan's refusal to reopen the Yangtsze, Sir Robert Craigie, British Ambassador to Tokyo, on Nov. 24 informed the Japanese government that Britain could not accept as valid Japan's arguments against the river's reopening. Although it was rumored that America had replied likewise, the report was not confirmed. France's reply to Japan is yet to be received, also.

U.S. Policy

Regarding America's foreign policy, Washington reports said that the full extent of the setback which the New Deal suffered in the recent elections will not be clear until Congress meets in January, but in the meantime the government is concentrating on a field policy in which they feel sure of public support, namely foreign affairs. President Roosevelt's popularly rose sharply after his appeal to Herr Hitler during the crisis to preserve peace. Similarly, his denunciation of the persecution of Jews and Catholics is expected to strengthen his position with the electorate.

87-014

Japanese in Foreign Countries Aid in Nippon's China Campaign*

BY HARUTSUGU TAHARA, M.P. OF THE SOCIAL MASS PARTY

THE number of Japanese settlers abroad —in North and South America, the Hawaiian Islands, the South Seas region and other parts of the world, excluding Manchuria and China—is said to be about 650,000. What has been the attitude of these Japanese abroad in regard to the Sino-Japanese hostilities? Answers to this question were supplied to the present writer at a luncheon party given by the Association of Overseas Japanese Newspapers, an organization consisting of managers of the Tokyo branch offices of first-class Japanese newspapers published abroad. All these managers once lived abroad for ten or twenty years.

It appears that ever since the North China incident occurred Japanese abroad have been focussing their attention on its development as reported by the radio or in the newspapers. Their patriotism took the form of monetary contributions to their fatherland, of dispatching comfort bags to the soldiers at the front and parties to pay visits of sympathy to the sick and wounded, and of many other acts equally worthy of praise.

With no particular person taking the lead, in the north, east, south and west there arose among Japanese abroad, who were prompted by love of country, a movement to collect and contribute money for the defense of their fatherland. Thus a great deal of the sinews of money was donated through various channels.

A certain resident Japanese in Watsonville, California, called at the Japanese Consulate-General at San Francisco and anonymously made a donation of $1,000 (about Yen 3,400). At Seattle a certain old Japanese couple who were living on a small fortune bequeathed by their master contributed a sum of $100 through a local Japanese newspaper office. Japanese residents in a certain section of Honolulu raised from among themselves a sum of Yen 1,000 and sent Yen 500 each to the Army and Navy.

The *Kashu Mainichi Shimbun*, a Japanese newspaper published in Los Angeles, collected by the end of last April something like $118,000 for the national defense funds, and has been continually sending contributions to these shores ever since. Some 500 resident Japanese in Rio de Janeiro raised about Yen 2,400 and sent it to the military airplane funds of the *Tokyo Asahi Shimbun*. Java is one of those places where resident Chinese have been and still are wielding considerably influence, so much so indeed that the Government of the Netherlands Indies does not seem to encourage the Japanese residents to start a patriotic movement. Notwithstanding such a situation, the Japanese residents there numbering some 7,000 have already made a contribution of the Japanese equivalent of about Yen 20,000. Not to be behind, Japanese residents in Sumatra contributed something like Yen 60,000 to the national defense funds.

L. A. Society

Ex-soldiers among the resident Japanese in Sacramento, California, have a society of their own. Now this society succeeded in raising about Yen 4,000 and remitted the sum by a telegraphic transfer to the War Office. Two Japanese newspapers in Hawaii collected contributions which exceeded at the end of last June Yen 1,300,000. Japanese living in the Islands total about 160,000 including women and children. At San Francisco is a society known by the name of Heimu Kai (lit. society of men liable for military service), a society which, as the name implies, was created by young men, all under 40 years old and temporarily exempt from military service, who would have been called to the colors had they been in Japan. Feeling a keen sense of duty, these men agreed among themselves to make a monthly contribution of one dollar each and to keep it up till the end of the hostilities, whenever that might be. The four Japanese newspapers in Sao Paulo, Brazil, have been and are devoting every day almost one full page to insertion of the names of Japanese contributors. In all probability, they have thus far remitted more than Yen 500,000.

It is said that by the end of last March the War Office received some 30 million yen by way of contributions for military purposes, of which about 10 per cent was contributed by Japanese residents in North America. When contributions from Hawaii and the South Seas are added, the total of the donations by Japanese abroad for national defense must have reached five million yen. Donations of silver-paper are by no means negligible. A certain Japanese residing in San Francisco called at the Japanese Consulate-General there towards the end of last March and made a donation of 3,200 kin of silverpaper, with the request that it be sent to the War Office. This gentleman later received a letter of thanks from the then War Minister, General Sugiyama. The Japanese Photographers' League in Honolulu passed a resolution that all the silver paper used for wrapping films be sent to their fatherland. It is said that they have thus been sending about 2,000 kin (valued at Yen 300) of silver paper, including that used for wrapping candles and cigarettes, every month.

Then, there are donations of airplanes. At Davao, in the Philippine Islands, about 16,000 Japanese of both sexes are engaged in hemp cultivation. Despite the fact that a great blow was dealt them by the import prohibition measures adopted by the Japanese Departments of Finance and of Commerce and Industry, they succeeded in October last year in contributing an airplane christened "Davao" to the Army. Then, on June 18 this year a naval plane "Davao" made its maiden flight at the Haneda airport and was then dispatched to the front. In Argentina about 4,000 Japanese settlers are engaged mostly in agriculture or commerce in and around Buenos Aires. These residents collected in November last year sufficient money to have an airplane constructed for the Japanese Navy and called it "Argentina." At Los Angeles, too, a sum of Yen 35,000 was collected from Japanese residents there and was spent on making an army plane.

No more than 23,000 Japanese are living in the Republic of Peru. These residents will soon contribute an airplane to the Japanese Navy. Resident Japanese in Sumatra are not contented with their contribution to the national defense funds; they are now bent on donating a patriotic plane, "Sumatra." As for comfort bags to be sent to the soldiers and sailors at the front, as many as 30,000 bags are said to have already crossed the Pacific and the China Sea. Every mail ship coming into Yokohama or Kobe brings plenty of such bags all packed in solid wooden cases.

Some time ago a Japanese newspaper issued in China reported that 500 of the comfort bags sent by the Japan Society in the state of Oregon, North America, reached Taiyuan in Shansi Province. The Kinoe-ne Kai, a society of Japanese residents in Hawaii, gave up its annual picnic, made 1,000 comfort bags with the money thus saved and dispatched them to the Army and the Navy Office. It is refreshing to note in this connection that there has been and still is an exchange of letters between the soldiers at the front and second generation Japanese abroad who can just manage to scribble letters of sympathy and encouragement in the Japanese language, in which they are taking lessons.

Well-Wishers

Mention may be made of visits of sympathy paid by Japanese residents abroad. Mrs. Furusawa, wife of Dr. Furusawa, is a South Californian resident well known as a warm admirer of the Japanese Navy. When this lady visited these shores with four friends of hers for the purpose of consoling sick and wounded sailors, Admiral Yonai, the Navy Minister, went out of his way to give a luncheon party in their honor. A considerable number of Japanese residents in Hawaii have visited their fatherland with a view to consoling the sick and the wounded. Every month witnesses one or two such parties. These parties, be it mentioned, do not forget to bring with them monetary contributions and comfort bags. An example will suffice. A party of 30 dressmakers in Honolulu that came to inquire after the sick and wounded brought with them 1,000 comfort bags and Yen 6,420 in cash to be given to the national defense funds.

In addition to contributions of money and silver paper and airplanes, Japanese abroad have special sympathy with needy families of soldiers now at the firing front, if not killed in battle. They have already remitted a large amount of money to such families through the village or town offices of their native places. A few instances may be cited as typical of the thousands of similar cases. Several score Japanese settlers in Maui, one of the Hawaiian Islands, sent a sum of Yen 567.36 to their native village in Okinawa Prefecture to be distributed among needy families of soldiers. Some 60 natives of Fukuoka Prefecture, now residing in Honolulu, sent something like Yen 2,200, through a newspaper office in their native place,—a contribution which was distributed, Yen 37 each, among the needy families of the district.

Hiroshima folks resident Maui collected Yen 2,594.95 which they sent to the governor of Hiroshima Prefecture, so that it might be divided among needy families of soldiers. A certain village in Yamaguchi Prefecture is said to have received thus far a total of Yen 10,000 for such purposes from village folks living abroad. Then, there is propaganda work conducted by Japanese abroad for their fatherland. With all due defence to the excellent work done in this respect by the Foreign Office, it must be admitted that Foreign Office officials stationed abroad cannot possibly cope, without some aid from outside, with the manifold task they are up against. What Japanese abroad do in their clubs and cocktail parties therefore goes a long way towards helping Japan's propaganda campaign.

Chinese Activity

It is said of Chinese abroad that at the time of the Manchurian incident they sent all the money they could collect to their fatherland, but that in the present conflict they are spending practically all the money collected on anti-Japanese propaganda work, instead of remitting it home. Chinese residents in North America collected by the end of last March something like $1,750,000 or about six million yen. This they ex-

(*Continued on page 24*)

**Translated from the November issue of Tairiku by Contemporary Opinions.*

87-015

World Powers Blamed for Japanese Aggression on Asiatic Continent

BY C. Y. W. MENG 孟長泳

IF China were asked to answer the question as to why Europe was nearly plunged into chaos this autumn, she would say that it was the direct result of the short-sighted policy, of inaction and isolation, adopted by the principal powers toward the Japanese aggression in China which had its genesis in September, 1931.

In 1922, the principal powers met at Washington for the Disarmament Conference. As to the Far Eastern questions, they signed the famous Nine-Power Treaty "to respect the territorial and administrative integrity and independence of China." In 1928, they further signed the famous Anti-War Pact to renounce "the war as an instrument of settling international disputes." Thus, world peace should have been fairly secure. Why should the world have been another crisis only ten years later?

The answer is that on the fatal night of September 18, 1931, taking advantage of the world-wide depression and the then existing political situation and the unprecedented Yangtsze floods in China, Japan invaded and occupied the City of Mukden to start their "Manchurian Adventure" and to carry out their Continental Policy "to conquer China first, and the world next." Thus, Japan sowed the seeds of aggression for the world, and destroyed world peace which has been built up since 1918 from its very bottom. Thus, the Island Empire of the East has contributed nothing sound to world civilization, but something extremely destructive to the humanity. Since then the world has been going backward to the barbarian stage when there was no law but chaos and no security.

But let us point out the fact that the so-called principal powers are largely to be blamed. It is needless for us to dwell much on the fact that had Great Britain and America taken concerted action to oppose Japanese aggression in China *at the outset*, when there was every possibility to halt it, the Japanese Manchurian adventure would have met the same fate as that of the Siberian adventure. If Japanese aggression in China had failed, Il Duce would have had no courage to launch the Abyssinian Adventure. If both the Japanese and Italian aggressions were quickly frustrated, Hitler would have had to greatly modify what he said in his "My Struggle." If by that time, America were far-sighted enough, and at once assumed leadership of world politics, and called *another* Washington Conference to discuss world problems and the Far Eastern situation, as President Harding did, we believe that world would have been much better off today.

Clumsy Diplomacy

But such chance was not grasped. It may not be amiss for us to make a brief account of these years of what we may call the "most clumsy and fatal diplomacy" of these principal powers, which is indeed solely responsible for the present crisis.

(1) The British policy of Friendly To Both China and Japan: This policy seals all hope for Anglo-American co-operation to thwart Japanese aggression in China at the beginning when there was every possible chance to bring the *first* aggressor of our day to sense and to bow down to public opinion. We do not like to reaccount it here save to advise our readers to refer to "The Far Eastern Crisis" by Col. Henry L. Stimson.

Apparently, in 1932, London deserted Washington in the matter of forming Anglo-American co-operation. As a result, Japan had a free hand to continue aggression in China without the slightest fear of any international opposition and interference. Thus, a dangerous precedent was created when the violation of the international treaties and agreements, and the invasion of the territory of a member state of the League

The above Chinese characters read: "China is fighting for liberty and peace." They appear throughout the length and breadth of the country —in newspapers and on placards.

of Nations were left unchecked and not punished. Such precedent once created, we can easily imagine and foretell the disastrous consequence to the world peace.

In 1937, after the outbreak of the Lukouchiao Affair, in a formal communication, the British Government suggested the possibility of "international consultation concerning the Far East." But Secretary Cordell Hull, in reply, emphasized that the U.S. foreign policy called for "separate and independent actions." So in 1937, Washington deserted London in the matter of forming the Anglo-American co-operation —so vital and effective in thwarting the Japanese aggression in China.

That is to say, during these seven years of the Japanese aggression in China, there is not a single sign of the Anglo-American co-operation to oppose the aggression; but on the contrary, there is every sign of "retreat" before the aggressor, "connivance" and "acquiescence" of the wrong by the principal powers. All these mean "opportunity," "encouragement" and "fertilization" of the seeds of the aggression, sowed by the aggressors of the east as well as west.

Blunders

(2) The British-French blunders—the Laval-Hoare Agreement: This Agreement, as we remember, was nothing short of the British-French "acquiescence" of the Italian annexation of Abyssinia. Although such agreement was later bitterly opposed by the public of these two nations, and economic sanctions were at last invoked to oppose Italy, but it was too late, because it was not organized. It was only half-supported by the powers, and it was in name rather than in fact. America, one of the principal oil dealers, did not participate as she should. As a result, Article 16 (economic sanctions) of the Covenant of the League of Nations, which should have been sufficient to check every international outlaw and pirate has been nullified in its entirely.

The Laval-Hoare Agreement already constitutes a serious British-French blunder, and in fact, it is "a fertilization" of the seeds of aggression in Europe. This time in case of the German-Czech crisis, these two principal powers committed another great blunder by forcing one small Balkan State to cede territories to Germany and Poland—problem we will discuss later.

(3) American isolation: Nothing was more terrible and deplorable than American isolation during the recent critical period when the world was looking toward America for leadership. As pointed out by an eminent writer (see "The Coming War" by Emil Ludwig, *Current History*, March issue, 1937), "One single man might still prevent the coming war . . . . This man is Franklin D. Roosevelt . . . . He knows this and he has the consciousness of a historical mission . . . . But the forces against him are powerful for Americans erroneously believe that Europe can and should take care of itself. . . . They refuse to recognize the dangerous position they would be forced into if Germany and Japan win . . . ." Such forces dominated by the so-called "isolationists" or "withdraw from the Far East" are still powerful in America today. When will the American Chief Executive take the "decisive step" towards the world peace, no one can tell.

During the recent German-Czech crisis, President Roosevelt sent identical letters for peace to both Germany and Czech. This was the first American utterance in the European affairs. In an editorial on "The United States and the European Situation," *Ta Kung Pao*, a leading Chinese paper, on September 28, after praising the President's efforts for peace, expressed its regret that the letter "did not point out and distinguish the right and wrong," and said that "peace without being supported by justice is not reliable." "This letter was delivered to both the Germans and Czechs. In fact, to deliver this letter to Germany alone is quite sufficient. The Czechs do not want war!" commented the paper.

When the Japanese militarists renewed their hostilities in China in the summer of 1937, Washington also delivered a *demarche* to China *and* Japan, warning both that "a conflict in North China would be a blow to world peace and progress." To which, the Chinese replied that Japan was the aggressor, and China was the victim. (see "Will the United States Desert China At Present Critical Movement" by the same writer in the *China Weekly Review*, August 7, 1937). But the action of treating the aggressor and the victim of the aggression on the same basis is *another weakness* of the principal powers to which the aggressors always make the best use of it.

Appeasement

Thus, we see that the Japanese militarists sowed the seeds of aggression. But these principal powers by inaction, retreat, connivance and acquiescene created "dangerous precedents" in permitting aggression to go on unchecked on one hand, and providing the aggressors with "fertilizers" on the other. From the German-Czech crisis, we see that there is no change of the foreign policy of the principal powers, and the "clumsy and fatal diplomacy" has still its day!

But are we heading for chaos or peace? To the Chinese, in the world is a critical period. But the China's continuous resistance against Japanese aggression gives us the last ray of hope that the world peace will be preserved. Justice will prevail. So if foreign observers would ask the Chinese: "What Are You Fighting For?," the Chinese prompt reply would be: On one hand, China is fighting for upholding the sanctity of international treaties and agreements, for preservation of the world peace, and for maintenance of international justice and righteousness; and on the other China is fighting for her self-preservation and the liberation of the Chinese nation. China wants to destroy the seeds of aggression by killing the *first* planter. The Chinese are conscious of their important and "greater historical mission," so they call the present

87-016

Miss Liu Man-Ching, a native of Lhasa, now the Tibetan representative to the People's Political Council, now visiting the war fronts as one of the Tibetan delegates to console the Chinese forces.

war with Japan as the "Holy War Of Resistance Against Japan!"

So among the three aggressors in the world today, Japan is the most unlucky of all in choosing so big a country to carry on her aggression, whose manpower is more than ten times as great as hers.

China unlike Czechoslovakia yield to the aggressor. China is determined to fight to the last. China has a population of 450,000,000 people will *never* or one quarter of the world population. She has plenty of the man-power at her disposal. Secondly, in China there are only Chinese who are solidly united today. Any claim of the "racial issue" does not hold water. Thirdly, there are many international treaties and agreements and the Resolutions of the League of Nations which give great moral help to China in her "Holy War" against Japan! Fourthly, China has the support of *all* the people in the world except the aggressors themselves. Therefore, any suggestion to mediate and settle the Sino-Japanese crisis along the same line of German-Czech settlement is very absurd and is surely to be bitterly opposed by 450,000,000 Chinese.

Chungking, Nov. 1, 1938.

Reich Emigres Offer Problem

WITH the arrival in Shanghai on Thursday of 187 German-Jewish emigres, the total number of refugees from the Nazi terror in this city has nearly reached 500, the *China Press* reported Nov. 26.

Of those who have come to this port to start their lives afresh, approximately 20 men, constituting about five per cent of the total, have found employment and are earning their own living. The remainder, of whom perhaps another five per cent have sufficient funds to tide them over for a month or two—but not more—are dependent upon such financial assistance as may be forthcoming. If one bears in mind how much the Shanghai public has been asked to contribute towards the alleviation of misery of hundreds of thousands of homeless people during the last 15 months, it is no exaggeration to state that much has been done already for the German-Jewish emigres. The first batch arrived in Shanghai more than four months ago, and since their arrival, their numbers have increased considerably.

Sixty-four bachelors are now crowded into a small home at 708 Hwashing Road in the eastern district, but it is impossible to squeeze another man in. Most of the 187 emigres who arrived Nov. 24 by the Conte Verde have been temporarily put up in vacant homes rented in Hongkew. Others have been housed in the International Settlement and the French Concession. This arrangement can only be temporary for an acute lack of funds demands better organization and infinitely greater economy. The bachelors are comparatively an easy problem, for it is evident that they can live under conditions which would be impossible for the many women and children who have accompanied their husbands in their departure from Germany and Nazified Austria.

The question of employment for these emigres is also a difficult one. Not more than two per cent of the 500 in Shanghai are electricians, mechanics or others who may find it easy to obtain work. Most of the men were merchants and shopowners before it became impossible and even an offense to the state to carry on their businesses, Others are professional men, physicians, lawyers, engineers, etc.

Language Difficulties

Their major difficulty, however, is not that their specialty is unmarketable here, but that their knowledge of the English language is so slight that only a few can more than count up to 10.

For some time now classes in English have been conducted in the premises of the Shanghai Jewish School on Seymour Road by tutors who have volunteered for the task of acquainting an adult group with an entirely strange language. But neither the location nor the facilities are adequate, and it is generally acknowledged that the entire situation and system needs extensive planning and organization.

Even these efforts will not allow all the emigres to follow the professions to which some had given the greater portion of their lives. Take the case of the German-Jewish journalists, for example. There is, of course an outside chance that one of them may come to be a correspondent for a non-Nazi German organ published outside the Reich. The chance is a remote one, however. Others will have to study the English language for years before they can qualify to do the work of a journalist.

Everywhere the tragedy of people torn out of their familiar setting and removed to a remote, strange country thousands of miles away is apparent. The proprietor of a large bakery in Berlin, normally a well-to do, even wealthy man, found employment in a Russian bakery in Frenchtown for $70 a month. The young son of an owner of a string of hotels and night clubs in Austria was given a position by a local hotel at $100 per month.

The first German-Jewish emigres to flee the pogroms of national-socialism arrived in Shanghai in the spring of 1934. There were approximately 80 of them, all physicians, chirurgeons and dentists. In those days of comparative prosperity, they found it easier to earn a living. Those who established themselves in Shanghai are conducting profitable practices. Others left for the interior, and others still were employed by missions.

Trek Began in '34

Since 1934, there have been fewer emigres. They trickled in occasionally, but these were isolated cases. Then last August, the influx started. In four months, nearly 500 emigres have arrived, determined to make China their home. A few still thought that China was only partly civilized. One man brought with him his office desk and swivel-chair under the impression that these things were not to be had here.

If a *Reuter* report from Trieste to the effect that Italian steamers for the Far East are booked months ahead by Jews wishing to make Shanghai their home is to be credited, then this port will see the greatest influx of foreign political refugees since the Russian Revolution. It is not impossible that by next summer there will be not less than 1,500 German-Jewish refugees residing in this city. Two committees are feverishly working to evolve some plan where-by these people can be aided and employment found for them. The problem, especially at this time, is a knotty one, and it is easy to imagine that nothing can be done unless the Shanghai public agrees to treat the problem as its own and shows willingness to try to solve it.

North China's "Retreat"

The *North China Daily News*, British daily, drew the ire of the *Ostasiatischer Lloyd*, local German newspaper, for reporting on Nov. 25 an interview with a German Jew refugee who arrived with the 187 others aboard the Conte Verde. The story printed by the British paper was one which told of the hardships in Nazi concentration camps, of how the men were forced to rise at 2.45 a.m., to carry stones and cement. They were forced to work until noon, given 30 minutes rest, and then continued work until 8.30 p.m. The punishments meted out to those who did something contrary to camp regulations were terrible, the *North China* reported. One was usually hit with a cat-o-nine-tails for a number of times. If for instance, a prisoner was found smoking a cigaret during the day, he received upward of 12 strokes. In order that this punishment should be sufficient and that the man giving it would not through his tiredness lessen it, a number of officers were present and each of them struck three times.

A major offence, such as not making one's bed neatly in the morning, would mean 25 strokes, which were scientifically applied, the first on the legs and successive strokes gradually rising until the kidneys were attained. Usually a man thus punished would be unable to get up. If he applied to be transferred to the hospital, additional punishment was meted out. Another method of punishing offenders was to tie their hands behind their back and subsequently to attach them to a tree where they had to stay for 24 hours.

The *North China* story was a clean "scoop" on all other Shanghai newspapers. But, because of a protest by the German Consulate here, the editor of the British paper made an apology for his "scoop," admitted that perhaps he made an error in judgment in printing it. Over this, the *Ostasiatischer Lloyd* gloated; to the editor's assurances that "similar occurences will not take place in the future," the German paper sneered, "At any rate, Mr. Peyton-Griffin with his letter began to retreat . . . This way of continued hidden attacks and subsequent white-washing at last is producing a disgusting effect."

Shanghai's Jews

If Shanghai is, as world travelers say, the most cosmopolitan city in the world today, the same adjective can certainly be applied to this Jewish community Robert Berkov, author of "Strong Man of China," writes in the *B'nai B'rith magazine*. Berkov continues: Here Jews from every country of the world, speaking a score of languages, live, do business, and thrive in general, even despite the frightfulness of the Sino-Japanese war. Yet their number does not exceed 5,000.

Perhaps nowhere else in the world have Jews contributed so noticeably to the upbuilding and growth of a great city. And perhaps nowhere else is that activity so little recognized, so entirely uncelebrated. The reason, of course, is to be found in Shanghai's complete emphasis on nationality, rather than on race or religion. For this accent upon nationality has made of the British Jew a Briton, of the American Jew an American, of the Russian Jew a Russian, and even of the German Jew a German.

87-017

Actual Effects of the Link System in Aiding Japan's Foreign Trade*

SINCE adoption by Japan in October, 1937 for the first time of the link system connecting soap exports with tallow imports, this trade promotion measure has already been applied to seven groups of commodities, namely: cotton yarn and textiles with raw cotton; rayon yarn and textiles with pulp; Japanese style paper with Manila hemp; soap with tallow and aromaitcs; felt hats and hat bodies with noil; brushes with bristles, Mexicon fiber and ebony; and woollen yarn and textiles with raw wool. Inasmuch as it is from three to eight months since this system was adopted for these articles, it is not impossible by now to examine the actual effects of this trade policy.

With application of the link system on March 15 this year to wool and woollen goods, woollen yarn exports began to increase gradually from the next month and have been gaining markedly since last July. Accordingly, they totalled 5,211,000 pounds in the first eight months of the year, or an increase of 182,000 pounds over the corresponding period of 1937. In terms of value, however, they dropped by Yen 1,149,000 to Yen 13,088,000. Woollen textile exports, on the other hand, declined by 19.2 per cent in quantity and by 8.2 per cent in value.

What is more disappointing is that while shipments to the yen bloc countries went up remarkably in both quantity and value, those to other foreign countries shrank by as much as 50.3 and 49.2 per cent respectively in volume and value. Details of woollen goods exports are quoted below from the official trade returns of the Finance Ministry (quantity in 1,000 pounds for woollen yarn and in 1,000 square yards for woollen textiles, and value in Yen 1,000):

	1937		1938	
	Quantity	*Value*	*Quantity*	*Value*
Woollen Yarn				
January	169	445	176	437
February	248	690	316	847
March	380	1,062	419	1,062
April	381	1,109	540	1,374
May	894	2,559	588	1,463
June	1,091	3,154	670	1,575
July	1,346	3,796	1,277	3,099
August	520	1,424	1,225	3,231
Total	5,029	14,237	5,211	13,088
Woollen Textiles				
January	2,015	2,760	1,431	2,202
February	2,698	3,850	2,028	3,061
March	2,612	3,912	2,394	3,921
April	1,945	2,795	1,970	3,171
May	2,083	3,001	1,668	2,671
June	2,493	3,611	1,774	2,827
July	3,908	5,345	3,031	5,276
August	4,610	6,405	3,756	5,962
Total	22,364	31,680	18,050	29,091
To Yen Bloc Countries	9,153	14,066	11,490	20,206
To Other Countries	13,211	17,514	6,560	8,884

Based upon the above figures, we can mention some defects of the link system. First, for the reason that interested circles are under obligation to export their products within a certain space of time and that the link system itself is being enforced on the basis of quantity instead of value, they naturally concentrate their efforts on exportation of woollen yarn because the turnover of yarn is more favorable than in the case of textiles. Second, the link system contributes little towards improvement of the nation's purchasing power, for exports, although they have been on the increase in quantity, have been declining in terms of value.

Third, the premium, say from Yen 1.3 to Yen 2 per pound of raw wool, on the export certificate which warrants its bearer to import the certificated amount of wood, will cause the production cost of Japanese woollen goods to rise in the long run, although it is at present stimulating the export trade. What requires more serious attention is that the apparently brisk trade of woollen goods is no doubt accounted for by the increased outgoings to the yen bloc countries which have offset the shrinkage of exports to other foreign countries. After all is said and done, it is hardly possible to recognize any positive and absolute effects of the link system.

Washington Post

For Cotton Trade

The same can be said of other linked commodities.

Inasmuch as the link system was adopted for the cotton trade some three months ago, it is possible to see if it has proved effective or not in promoting the export trade. The following table shows the cotton cloth exports during the June-September period, investigated by the Federation of Cotton Textile Industrial Guilds, classified by countries and by grades of cloth (quantity in 1,000 square yards and value in Yen 1,000, and the figures as compiled by grades including shipments to the yen bloc countries as well):

Classified by Countries	*Quantity*	*Value*	*Unit Price per Sq. Yd., Sen*
June, To :			
Yen Bloc C'tries	47,172	11,991	
Other Countries	116,520	20,380	
Total	163,692	32,371	19.77
July, To :			
Yen Bloc C'tries	4,290	1,922	
Other Countries	105,770	18,262	
Total	110,058	20,184	18.33
August, To :			
Yen Bloc C'tries	362	222	
Other Countries	134,960	22,727	
Total	134,597	22,949	17.05
September, To :			
Yen Bloc C'tries	780	513	
Other Countries	178,064	28,595	
Total	178,844	29,108	16.27
Classified by Grades			
Grey Cloth :			
June	75,689	12,748	16.84
July	46,664	6,962	14.92
August	57,551	8,134	14.12
September	75,687	10,135	13.39
Bleached Cloth :			
June	46,198	8,360	18.10
July	27,747	4,722	17.02
August	29,952	4,985	16.64
September	37,073	5,770	15.56
Finished Cloth :			
June	47,759	12,091	25.32
July	40,744	9,593	23.55
August	53,526	11,114	20.76
September	66,082	13,202	19.97

Since the higher export costs of Japanese cotton goods have constituted the most important cause responsible for the recent setback of the cotton trade, the fact that their costs have been dropping gradually since adoption of the link system may be considered as one of the noticeable merits of this trade policy. The declining trend in the unit prices of cotton cloths is attributed to the fact that local spinning interests, with a view to importing raw cotton as soon as possible, have been directing more vigorous efforts towards exportation of low grade cloths whose turnover is more favorable than in the case of finished textiles; that weavers, having been relegated to the status of sub-contractors for large scale spinners due to the Government's control measure, have been obliged to produce textiles at low charges, and that leading traders, Japanese or foreign, taking advantage of the regulations providing for compulsory exportation within a certain space of time, are shrewd enough to buy stocks of cotton goods at cheap prices from minor trading interests.

The quantitive basis, also applied to the cotton link, has brought about the similarly awkward results as in the case of rayon That is, shipments, in spite of their gain in quantity, have been shrinking in value. Grey cloth exports, for instance, declined markedly in terms of value in the aggregate up to September. Details of cotton cloth exports in the first nine months, quoted from the same source above mentioned, are classified by grades (quantity in 1,000 square yards, and value in Yen 1,000):

	Total	
	1938	1937
Grey, Quantity	597,898	596,793
Value	95,346	111,006
Bleached, Quantity	377,264	506,586
Value	68,258	98,205
Finished, Quantity	576,071	921,146
Value	134,008	233,672
Total, Quantity	1,551,234	2,024,526
Value	297,442	442,884
	To Yen Bloc	
	1938	1937
Grey, Quantity	114,771	122,365
Value	26,460	27,604
Bleached, Quantity	79,407	50,783
Value	16,989	10,551
Finished, Quantity	94,323	112,894
Value	29,020	34,684
Total, Quantity	288,502	286,043
Value	72,471	72,840
	To Other Countries	
	1938	1937
Grey, Quantity	483,127	474,427
Value	68,885	83,402
Bleached, Quantity	297,756	455,803
Value	51,268	87,653
Finished, Quantity	481,748	808,252
Value	104,987	198,988
Total, Quantity	1,262,731	1,738,483
Value	225,142	370,043

Because the link system has been in force for pulp and rayon only since last August, it is virtually impossible to make a definite conclusion as to the advisability of this trade policy in this case. At any rate, the situation has so far been none the better. Although rayon yarn has been shipped fairly briskly to the yen bloc countries, shipments to third countries dropped by

*From the Tokyo Economist.

80 per cent in both quantity and value, the chief reason being the higher cost of our rayon yarn. Rayon textile shipments to third countries have declined by half. Japanese rayon interests opine that although the link system has been applied to rayon goods, it is hardly possible for them to reduce the cost of their products to the level of Italian rayon goods. Shipments of rayon yarn and textiles during the June-September period are quoted below from the investigation of the Rayon Association (value in Yen 1,000, and quantity in 1,000 pounds for yarn and in 1,000 square yards for textiles):

	Total		*To Yen Bloc*	
Rayon Yarn	1938	1937	1938	1937
June, Quantity	971	5,864	484	1,625
Value	817	5,043	419	1,388
July, Quantity	4,269	5,390	4,048	968
Value	4,067	4,636	3,888	839
Aug., Quantity	1,356	3,617	781	46
Value	1,174	3,114	742	38
Sept., Quantity	1,037	5,723	244	—
Value	810	4,470	227	9

	To Other Countries		
	1938	1937	*Loss, %*
June, Quantity	487	4,239	88.5
Value	399	3,655	89.0
July, Quantity	221	4,422	95.0
Value	179	3,797	95.2
Aug., Quantity	575	3,076	85.9
Value	432	3,076	85.9
Sept., Quantity	794	5,723	86.1
Value	582	4,462	86.9

	Total		*To Yen Bloc*	
Rayon Textiles	1938	1937	1938	1937
June, Quantity	24,336	42,387	7,369	4,260
Value	8,851	13,762	2,445	1,515
July, Quantity	52,905	40,513	7,614	2,036
Value	9,099	13,733	4,563	849
Aug., Quantity	28,685	33,595	10,586	1,698
Value	10,574	11,640	4,879	779
Sept., Quantity	24,067	43,116	10,434	4,206
Value	8,948	14,395	4,220	1,561

	To Other Countries		
	1938	1937	*Loss, %*
June, Quantity	16,967	38,127	55.3
Value	6,406	12,247	47.6
July, Quantity	18,291	38,477	52.4
Value	4,536	12,888	64.8
Aug., Quantity	18,099	31,897	43.2
Value	5,695	10,861	47.5
Sept., Quantity	13,634	38,910	64.9
Value	4,728	12,834	63.1

(The loss is in comparison with 1937.)

Soap Aided

The link system has gone a long way in promoting soap exports for which purpose it was adopted a year ago for the first time in Japan. Soap exports in the January-August period totalled Yen 5,050,000, or a gain of Yen 1,286,000 over the corresponding period for the year previous. Further, shipments to the yen bloc countries increased by only Yen 128,000, and those to other foreign countries by Yen 1,137,000.

This trade promotion measure has failed, however, in stimulating outgoings of other minor items. Although it was adopted last May for noil and hats, exports of hats and hat bodies declined by 60.7 per cent to Yen 3,185,000 in the first eight months of the year as compared to the corresponding period of 1937. Brush exports totalled Yen 2,551,000 in the same period as against Yen 4,507,000 for the like period of 1937. Japanese style paper exports increased by Yen 641,000 to Yen 11,434,000 in the January-August period, but it must not be overlooked that they were shipped, for the most part, to the yen bloc countries.

Bus Service

Bus service between Kweiyang in Kweichow and Kunming in Yunnan has been increased by the Southwest Road Transportation Bureau of the Nationalist regime, Hanoi reports said. A thrice weekly schedule was changed to a daily service Nov. 1. Buses leave Kweichow at 7 o'clock in the morning and Kunming at 8 o'clock in the evening and traverse the total distance between the two cities in two days.

Chaumont Drug Trial Finished

Finis was written Nov. 29 to one of the outstanding international drug trafficking cases in the city's history, with the conviction at the First Special District Court of the 28-year-old chief of the dope syndicate which supplied huge quantities of opium to seamen board the U.S.T. Chaumont, for sale in the United States. Tsung Pah-yeu, the ringleader and last member of the ring to fell into the police net, was sentenced to eight years' imprisonment and fined $1000 by Judge Feng on charges of sale of opium for purpose of export to the United States. The bill of indictment was presented against him by Mr. Thomas S. Lea, municipal advocate.

At the conclusion of the hearing, Tsung filed a notice of appeal at the Kiangsu High Court, Second Branch, through his defense lawyer, Mr. Y T. Van. The conviction of Tsung brings to a close a sensational illicit drug trafficking case, which first came to the attention of the American authorities in April of this year when two seamen of the Chaumont, Andrew Horvath and Robert Pinson, were arrested in San Francisco for being in possession of 81 one-tael tins of raw opium which were transported on the American naval transport.

American Jailed

The two seamen and two other Americans, who acted as agents on shore, were subsequently given prison terms, ranging from eight years to 18 months. One of the quartet was also fined U.S.$1001. The arrest of the sailors resulted in an extensive investigation in Shanghai by the narcotics section of the S.M.P., under Detective Sub-Inspector A. Rhind, who received full information from the American authorities. Eventually the officer was able to track down three members of the dope ring, Tsu Zai-dong, a tailor who actually delivered drug consignments on four occasions, Hu Ping, a jeweller, and Wu Ping-nyoh. Another man, Tsung Ling-zien, a relative of the dopening leader, was also arrested, but was later released for lack of evidence.

Both the tailor and the jeweller were given five years' imprisonment while the third man was sentenced to three years in jail. The three convicted men furnished clues as to the identity of their ringleader, who at the time of their arrest had been at large. The police efforts to nab the ringleader, instituted in May of this year, were rewarded on October 31 when Detective Sub-Inspector Rhind caught Tsung at a Foochow Road restaurant. Tsung, a native of Swatow, had just returned from his native home.

During his trial, Tsung repeatedly denied the changes, saying that his dead father, Tsung Yung-chieh, had been responsible for the large-scale smuggling. Tsung Senior died on June 8 here, and was given a secret burial here, despite the report that his body was shipped to Swatow. Despite Tsung's claim of innocence and the refusal of the three convicted men to identify him as their leader, the police managed to dig up overwhelming circumstantial evidence by getting in contact with the American anthorities through cable communications. A full description of Tsung furnished by the two American sailors tallied with the features of the dope-ring chief.

The first contraband opium consignment was delivered to the sailors aboard the Chaumont in December, 1936, comprising 200 taels. The second delivery of 300 taels was made in July of the following year while the third consignment of 275 taels was delivered in November of the same year. The fourth and last delivery was made in February of this year, comprising 405 taels in 81 tins. The total amount of opium smuggled into the United States aboard the transport is 1180 taels.

$300,000 Seizure

Following the appearance of four alleged members of a huge dope ring in the Second Special District Court Nov. 25, further arrests are expected to be made by the French Police in what promises to be one of the biggest opium smuggling cases to appear in the Shanghai courts this year.

In conjunctions with the Customs River Police and the Customs authorities the French police are continuing investigations following the seizure of no less than $300,000 worth of narcotics on Nov. 23. The four men who made their appearance in court were remanded until Dec. 1 without any evidence being offered against them. By that time the police anticipate that other arrests will have been made and the chain of evidence against the accused completed. The ringleaders of the smuggling gang escaped the police dragnet which was set into motion immediately after the arrest of the men and search parties are scouring the city in an effort to place them under lock and key.

The seized consignment was alleged to have been shipped to Shanghai from India, via Hongkong, on a coastal steamer, and was discovered in seven large sacks by Customs Inspectors while they were being transferred from the steamer to a junk in the middle of the Whangpoo River. Following the discovery of the sacks, the River Police affected the arrest of the four men, but these are believed to be only workers for the ringleaders of the gang. It is expected, however, that further revelations of a huge smuggling ring in the city will be furnished as a result of the case.

Farmers Get Orders

Under the instructions of the Japanese military authorities, Chen Cheh-min, "Chairman" of the "Kiangsu Provincial Government" has definitely decided to ordered the farmers in Kiangsu and Chekiang Province to plant poppy, so us to raise funds for the puppet "Reformed Government" and the Japanese military authorities in Central China. According to present arrangements, 40 per cent of the profits derived from poppy plantation will be used as expenses of the "Reformed Government" and the remaining 60 per cent will be given to the Japanese as military expenses. At present, there are 41 opium hongs in West Shanghai. All these opium hongs are guarded by police force of the bogus regime and each of the opium hongs pays from $50 to $100 daily as "protection fee."

Horse Racing Booms in Japan

Japan's horse racing fans paid the huge sum of Y76,376,060 to see the bangtails in action during a boom season on 11 tracks this year, Osaka turf officials disclosed this week. In the eight days from Nov. 12 to 20 about 240,000 fans turned out at the track in Naruo, a suburb of Osaka. Receipts at the Naruo track during the autumn season totalled Y18,459,840. About Y143,700 was contributed to the national defense fund while government taxes amounted to Y1,476,000, Several new records were established during the season at Naruo.

Japanese Barga Scheme Fails

RECENTLY this writer conversed with a Russian resident, an arrival from Manchukuo, that "independent" state which once enjoyed the prosperous life of a busy commercial and trading centre. The subject of the conversation concerned the greater part of Inner Mongolia which includes the renowned Hingan-steppes, North Eastern corner of Barga and further to the South West of Hailar.

What immediately catches the eye of a casual observer in this region is the disappearance of foreign commercial and trading firm branches. As it would appear the "open door" policy had been boldly manifested by the Nipponese with an apparent intent to drive away foreigners, thus automatically clearly the path for merchants and tradesmen of Japanese nationality. Hailar last but one station on the former Chinese Eastern Railway and the main commercial and distributing centre today has acquired the look of not just a military Japanese city, but a Nipponese city proper.

"To see is to believe" and hence everyone becomes more and more convinced that the native Mongols are today mere tributaries of the Japanese military and Russian emigrants the reserve for those White Russian detachments who for a miserly pay (Yen 50) a month guard the railway for the Japanese against Chinese guerillas who still maintain the name of "hunchuses" (the bandits). The Mongolian villages had formerly been the trading centers, where raw materials such as wool, various kinds of skins and horse hair, had been purchased and delivered to Hailar. This existed till the Japanese occupation. American and British firms had firmly enjoyed the natives' trust, the latter dealing with the representatives of the above firms often at home on their steppes. The commercial relations often took the form of barter trade as an adaptation to local conditions, the natives being provided with everything necessary from the large firms' store-houses in Hailar.

With inauguration of Manchukuo state, this picture had rapidly undergone a change. The restrictions for the foreign firms in their steppes-voyages began at once.

The first set-back for the British and American Firms had been the requisition of a Chinese wool combing factory. By the latter act the Nipponese had struck a serious blow to the foreign firms as neither one could comb the purchased hair. To comb the wool in the newly acquired Japanese factories was five times as expensive as before. Then followed the Japanese restriction order to purchase wool for the foreign firms directly from native salesmen. In order to purchase wool or other raw materials it was deemed necessary to purchase the same from the newly-formed Japanese companies; great losses thus were sustained for mediation and "fixed" prices by the enterprising Japanese merchants. The foreign firms had to give way, some tried to revert to other methods of work but finally became convinced that Japanese firmly and systematically were endeavoring to drive out foreign capital.

Natives Affected

The existing atmosphere had largely affected the native mongols. The low prices on raw-materials specified by the Japanese had struck severely the Mongolian population, as a result the latter ceased to deliver their goods to Hailar being panick-stricken and seeking a hasty escape when approached by the Nipponese in the open steppes.

The once prosperous and abundant region, the centre of raw-materials and meat trade had suddenly acquired a desolated and lonely look. The "trading" expeditions organized by the Japanese under armed guard escorts had forcefully began to "purchase" the natives' supplies, thus arousing the Mongols against the invaders.

The question pertaining to White Russian emigrants who by permission of the Chinese Government in 1930, began to settle in the North-Eastern part of Barga (The so called Three River Provinces) is, of course, an outstanding one. There are 26 "Three River" provinces which this day are governed by the Nippon military mission that fully enforces its policy through their loyal henchmen the White Russians.

Heavy Taxes

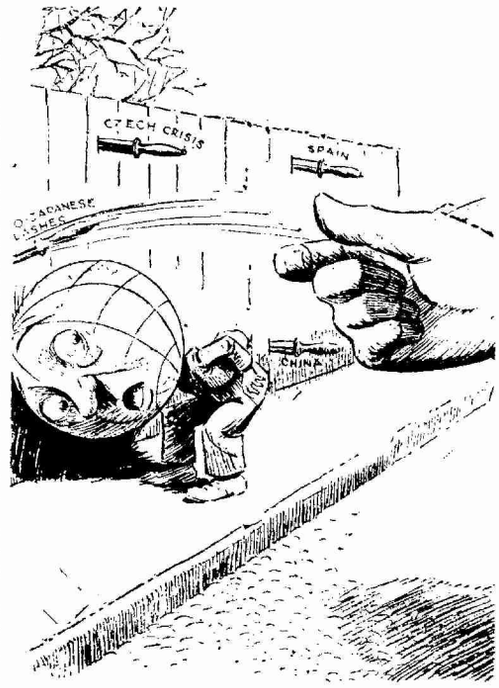
To impose a tax on the subjective population would be a natural thing to do. And so the inhabitants of the region are taxed nearly for everything: big and small cattle, ploughing and meadow fields, for roads, for maintenance of the local police, etc. What is worthy of note is that not a cent of the tax money is provided for the welfare of population in this region, but fills the coffers of the military bureau. All the inhabitants of the villages are made to pay a special military tax, the part of the same by goods and the other in money. A similar policy is conducted towards Mongolian population, which in order to avoid taxations and requisitions, crosses the border into the Outer Mongolia-Mongolian Peoples' Republic.

The complete summary of facts points that the Japanese emergetically strives to obtain the much necessary means from the population to fill the war chest for its present conflict with China and the preparation for another war, which is not kept as a secret.

The state monopoly of Manchukuo on all manufacturing products have completely pushed out the American and British merchants from this immense region, and there is no secret that the above "monopoly" is merely the transfer of trade and industry into the hands of various Japanese firms and concerns. "The military state of things" is the best excuse and explanation of the present masters.

A very interesting point is to be considered. It is known that the so-called Manchurian fair (about 10 kms. from Hailar) had once played a great part in the trading and commercial life of Mongolia. The total turnover till the Japanese occupation had been a few millions of dollars. Trading bargains had been formed for the entire year, important contracts signed. Today the renowned Manchurian fair is extinct. The Japanese became fully convinced that by no means could they take the place of British and American firms among the Mongolian population.

Missed Again



New York Times

Lamas Ousted

The Mongolian Lamas could not please the Japanese military, as they were opposed to Japanese measures and secretly conducted their own policy, as a result, many monasteries were closed down.

A few words should be said about the Russian population which played a great part in trading, industrial and commercial life in that region. As the Japanese could not tolerate any further Russian trade, the simplest way out had been found. The Russian firms had to hand over the management to the Japanese, themselves becoming mere trustees. Certain Russian merchants were proclaimed as "communist sympathizers"—the undesirable element for the district and it necessitated the confiscation of property and the arrest of owners. This had forced many Russian merchants to give up their business and seek the shortest way out to North China or Shanghai.

The attempt of the Japanese military to inaugurate, with the assistance of White Russian-staff, a colony for settlers on Chol river in the region of Buchedu and Chalang-tun had turned out a huge fiasco. The extreme rudeness of the administration caused the settlers to mutiny and the former Ataman Semenoff's henchman Baron Von Tirbach was assassinated. The "paradise" soon became deserted, many settlers trespassed the Soviet border.

Today the former rich and prosperous region of Barga appears dead and desoluted, only the forced militarization of Mongolian youths speak of true intentions of the occupants. Fortifications, aerodromes, ammunition stores and soldiers' camps are met on every step.

What is apparent is the fact that the foreigners, with or without their capital, constitute a natural barrier to the Japanese plans and their conducted military measures.

Nippon's new slogan in force is "Please get out of the OPEN DOOR."—*Reflector.*

Japan Buys U.S. Aircraft Material

Export of aeronautical products from the United States during the first nine months of 1938 was 93 per cent. above figures for the same period of 1937, the Department of Commerce has revealed.

The Commerce Department report valued total aeronautical exports at $53,335,175 for the January-September period. Aircraft accounted for $30,936,642, parts and accessories for $16,760,469 and engines for $5,467,267. The Department report revealed that during September Japan was the heaviest purchaser of American aeronautical products. Japan bought eight land planes valued at $861,462. China bought two planes.

Command Changed

Lieut.-Gen. Motoo Furusho, Commander-in-Chief of the Japanese forces in South China, has been ordered attached to the Army General Staff in Tokyo. The reason for the change is given as poor health. Lieutenant-Genreal Rikichi Ando, Commander of the Fifth Army Division will succeed Lieutenant General Furusho.

87-020

Japan's 'Fortune-Hunters' in China Providing Unemployment Problem

WHILE Tokyo is attempting to stir up all Japan in the matter of grandiose plans for the reconstruction of China—an incentive for Japanese to seek their fortunes in the new "bonanza" of China—Shanghai's Japanese community would prefer that they stay at home and thereby relieve Shanghai's Japanese of a very pressing unemployment problem.

In Tokyo, on Nov. 16, a nation-wide educational campaign to acquanit the people of Japan with the policies to be carried out in the reconstruction of East Asia was launched. The meeting was held under the auspices of the National Federation for the Reconstruction of East Asia which was organized jointly by the two major political parties, the Minseito and Seiyukai.

Ryutaro Nagai, Minister of Communications, principal speaker at the meeting, told the vast audience which packed every corner of the public hall that Japan must be a "driving force in a movement for the reconstruction of East Asia and the establishment of world stability." Fiery speeches in a similar vein were delivered by Chuji Machida, president of the Minseito; Ichiro Hatoyama, leader of the Seiyuaki, and other leading members of the two parties. A three-point manifesto adopted at the meeting emphasized the "vital necessity of crushing the regime of Gen. Chiang Kai-shek, building a new China and establishing close co-operation between Japan, Manchukuo and China." The manifesto declared that East Asia must be reconstructed "by developing one of the richest fields of natural resources in the world and restoring the moral culture peculiar to the Orient in order to bring to the Far East prosperity unparallelled in the world by unity and solidarity with the government and people of Japan."

"Go West, Young Woman"

The Japanese daily, *Shanghai Nippo*, acted as the mouthpiece for the Japanese community recently regarding the influx of fortune-seekers. The *Nippo* said: "Go West, young women—stay home, young man." Shanghai no longer is a wide open town for Japanese men without specialized training or prospective jobs—not there still is plenty of room for women, especially young and attractive ones, the Japanese daily said. So the Japanese Residents' Corporation is warning the folks back home to think twice before starting off for this so-called Paris of the Far East, unless they have a very definite purpose.

Since the rejuvenation of Hongkew 10,000 Japanese flocked across the China Sea, the majority of them having no jobs but each thinking: "Shanghai needs a man like me," the paper said. Now the employment bureau of the Japanese Residents' Corporation is flooded with applications for jobs. Those Japanese males without technical ability or capital who joined the Shanghai "gold rush" are likely to find themselves "gone with the wind" in the swirling currents of unemployment, the paper predicted.

The situation is quite the reverse, however, as regards Japanese women and they are finding no difficulty in landing jobs here. Waitresses, maidservants, shop girls, stenographers, office clerks, nurses, governesses and, of course, entertainers with theatrical or dance hall experience are in great demand, the *Nippo* said. Even those girls who are not beauties and who possess only average education or training are finding jobs.

The Japanese flood is beginning to penetrate in all directions in Japanese-occupied areas. While Shanghai has received the brunt of the influx, great numbers are also heading for north, south and central China. Before the war in Nanking, former capital of China, there were no more than a half dozen Japanese and no Japanese shops. Today there are some 250 shops, and a Japanese population of 3,000, which doubled in one month.

Seizures at Nanking

The most alarming aspect of the growing number of Japanese in Nanking is the seizure of Chinese business and residential property. These confiscations are under the direction of the Imperial Army, the military police and the Special Service Section of the army. Attempts have been made at the seizure of foreign property, but protests usually have brought their prompt release.

The seizure of property is carried out with great simplicity. The Japanese prospector arrives in Nanking, picks out a suitable shop and then informs either one of the three branches of the army that the place is to his liking. The transfer of the property from Chinese ownership to Japanese is carried out in short order. The army claims to keep a record of these transfers, but the S.S.S. and the military police are to be dispensing with the matter of records. Most the shops so transferred are immediately transformed into opium dens.

Meantime, Japan continued to push gigantic plans for the development of China. A network of motor highways throughout the Japanese-occupied regions of China would be the best assurance of restoring permanent peace and order, according to a Major Gen. Tetsuzo Ide, director of the Army Automobile School, who recently returned to Japan from a one month tour of North and Central China. He expressed confident hope that such an undertaking could be easily accomplished by the descendants of a people capable of building the Great Wall.

Major Gen. Ide pointed out to the scarcity of salt in the interior of China as evidence of a lack of means of transportation. He recalled that these Chinese subsisted without salt for many months prior to the arrival of Japanese mechanized troops. An example was shown in the fact that salt is exchanged for 30 times its weight in barley, according to Major Gen. Ide who said that the derivation of the word "salary" from the words "salt money" was still in actual practice in the remote regions of the interior where coolies were paid with a handful of salt for a full-day work and two handfuls upon completion of a full day's labor.

A pinch of salt was sufficient to buy one hen, the Major General said. Peace and order has been rapidly restored in regions where motor highways are constructed as demonstrated by the usefulness of Japan's mechanized units in the present hostilities. The Major General recalled that during the Manchurian Incident, the Jehol campaign was concluded within one week all because of these mechanized forces. The construction of these highways would foster an unprecedented development of the Japanese automobile industry, the Major General observed.

Tientsin Highway

Dedication of a through highway linking the Japanese Concession directly with the wharves located in the Chinese section of this city was held in Tientsin Nov. 16. The new road, designed to relieve the existing congestion in transportation, avoids the British and French Concessions. It is 5,926 meters long and 15 meters wide and was constructed at a cost of Yen 184,000.

Bus Lines

Plans for the early restoration of communications and the improvement of transportation facilities in the occupied regions are being rushed by "Reformed Government" officials with the assistance of their Japanese advisers, according to a dispatch recently from Nanking. The recent inauguration of the Central China Bus Company, with its head office in Nanking, was done in accordance with these plans.

Under the supervision of the Kiangsu Reconstruction Bureau this company is planning to open a number of bus lines in Kiangsu and Chekiang Provinces, south of the Yangtsze River and north of the Chientang River. Among the cities to be visited by the company's fleet of buses are Nanking, Shanghai, Chinkiang, Soochow, Changchow, Wusih and Hangchow, the dispatch said.

Assist Shipping

Negotiations were begun in Tokyo recently between officials of the Ministries of Finance and Communications regarding the granting of a large sum from the Second Reserve Fund of the 1938-39 appropriations to the Nisshin Kisen Kaisha to assist its expansion program. The firm has been designated as a "national policy" concern in an ambitious Government scheme to secure a commanding position in the Chinese coastal trade. The plan provides for the construction of a large fleet of new vessels. The firm will operate lines from Dairen and Tientsin to Canton by way of Shanghai and Amoy if the Government's plan materializes.

Tax Receipts

Receipts of the Kiangsu, Chekiang and Anhwei Consolidated Tax Bureau totalled more than $10,000,000 in October, showing a considerable increase since this bureau was first taken over by the "Reformed Government" and indicating the gradual revival of commerce and industry in this part of the country. Receipts of the consolidated tax on cigarettes, matches and flour showed a greater increase last month than that on cotton yarn and cement, statistics compiled by the bureau authorities revealed.

The North China Development Company will not refuse offers of foreign investments from those Powers which have a "correct understanding of the new situation in China," but such foreign capital will not be sought, officials of the firm declared at a conference in Osaka Nov. 24. Discussions of plans for the economic development of North China were held under the auspices of Osaka political and economic organizations. The object of the North China Development Company was not to manage enterprises directly but to invest in enterprises in which state control was necessary, Tsunetaka Komuchi and Tsuneo Nishiyama, Vice-Presidents of the firm, both declared.

However, there was no need to place all enterprises under state control and the development company had no intention to control the cotton industry at present, they stated. The sphere of the company's business was unlimited and when necessary it would be extended to the coastal regions of the Yangtsze Valley as well as Mongolia, the Vice-Presidents further stated. They gave assurances that there would be no friction with military circles as the latter had entrusted business men with the task of carrying out economic development projects in China.

Japan's Programs

In Japan, too, big development plans are being studied for that country. Advocated by engineers on economic and military grounds, the boring of a railway tunnel

87-021

linking Japan and Korea was being studied by the Ministry of Railways in Tokyo late in November. The building of the 72-mile tube would rank in magnitude as an engineering project with the Panama Canal and the Golden Gate Bridge.

Already passing the visionary stage, actual tests of the earth strata, financial estimates and rough blueprints have brought the project a step toward realization. Engineers who have been studying the plan estimate that a single-track tunnel, 180 feet below the sea bottom, would cost Yen 1,000,000,000. It would run under the Chosen Channel at its narrowest point. The plan would fit in with the government's Asiatic economic and industrial policy, providing quick freight and passenger transportation to Korea, Manchukuo and North China, it is pointed out. With ever-increasing industrial expansion on the continent, requiring huge shipments of machinery and equipment, and an even greater outflow of raw materials and finished products when the full exploitation of the area is under way, a railroad is regarded as the only solution to the transportation problem. Even now, the ferry service is sorely overtaxed, owing to the growth of Manchukuo and the China hostilities.

Blasticity

The time required by the Shimonoseki-Fusan ferries to negotiate the channel is seven and a half hours. Trains could cover the distance in two and a half hours with twice the pay load. Tests carried out since August by Dr. Tsuranuki Watanabe and Koichi Hirota, engineers of the Railway Ministry's construction bureau, indicate that subterranean conditions at either end of the projected tube would be favorable. Their findings were reported recently to the Railway Minister Chikuhei Nakajima. Before proceeding further, however, it will be necessary to ascertain the submarine earth strata. When and how this will be done has not yet been decided, but it is thought possible that the "blasticity" of the earth could be ascertained by the creation of an "artificial earthquake" by which faults could be detected through irregularities in the vibrations.

The Shimonoseki-Moji railway tunnel, now under way, is expected to reveal all the engineering problems likely to be encountered in the major project under consideration, which probably would not be undertaken before the former is completed. Like the Shimonoseki tube, the Korean tunnel would be single-tracked at the start, possibly with spurs at two or three points to permit trains to pass. It later could be double-tracked.

Aiming at the development of Japan's aviation facilities to a standard equal to the world's best, government officials are mapping detailed plans for a five-year program under the guidance of a projected Central Aviation Institute. Expenditure of Yen 8,000,000 during the first year starting with the 1939 fiscal year was planned by the Aviation Bureau of the Ministry of Communcations and the Ministry of Finance.

Total appropriations for the five years were estimated at Yen 98,000,000. The five-year plan will be divided into two periods, the first to be devoted to the establishment of new institutions for aeronautical research. The projected institute, which is to co-ordinate the activities of the Army and Navy air forces and the Aviation Institute of the Imperial University, also will direct the training of pilots and building of airdromes.

Merger of five shipping concerns operating between Japan, Korea, and Manchukuo in a move to improve service and plans for the reconstruction of harbors were given cabinet approval Nov. 10. The combined group will be capitalised at Yen 45,000,000, The project also calls for extensive improvemnets in the Japan Sea harbors.

U.S. Rearmament Being Rushed

BARED by a continue flood of press reports since last spring when President Franklin D. Roosevelt launched a billion and a half dollar building program to make the "U.S. Navy second to none," it is no longer a secret that a mighty transformation is under way in America. The program for re-armament in the United States today is undoubtedly the greatest countenanced by any power—a program which aims at not only guaranteeing the defense of America but the entire western hemisphere.

It appears that in the matter of re-armament that all government leaders are in accord as to its scope—from the President to his Cabinet members, to authoritative military and naval officials. Secretary of Navy Claude A. Swanson, in his annual report made public November 20, recommended as "highly important" that the American fleet should be manned as soon as possible by full war strength because of the "present disturbed international conditions."

Besides asking creation of a modern, fast and efficiently manned merchant marine, increase in the number of aircraft tenders, development of adequate shore facilities for aircraft and increase in the navy and marine personnel, Secretary Swanson hinted at the construction of larger battleships. Since rumors have been afloat for some time that Japan is secretly constructing ships in the 45,000-ton class, it may be assumed that American naval plans also encompass the construction of more powerful warships.

These costly re-armament plans by the army and navy, some of which already have been translated into action, represent President Roosevelt's answer to the challenge of other world powers in the re-armament race. Undoubtedly, many of the plans had their genesus in the recent European situation in which Germany's strength was disclosed.

However, of the greatest significance to the Far East is that virtually 90 per cent of the military precautions envisaged are made in the Pacific, indicating that America's military strategy is being shaped with one Far Eastern power in mind.

U.S. Behind

The United States, despite its heavy spending on national defense, has thus far failed to keep pace with Germany, Italy, Japan, Great Britain, France and Russia. These great powers, together with the United States, have accounted for 90 per cent of the world's total re-armament expenditures that have arisen from five billion to 15 billion dollars a year. This rate of acceleration has been without precedent in modern times, except for the period of actually hostilities during the World War. By the end of this year the total is expected to exceed 15 billion dollars.

Many economists are of the belief that this mad scramble to re-arm, if continued, may easily bring about world economic disaster. Governments are diverting funds vitally needed for social and civil purposes into the manufacture and purchase of arms and munitions. Japan's program, for instance, provides 72 per cent of her budget for national defense. This amounts to 46 per cent of her entire national income.

Russia is not far behind Japan, followed then by Germany, Italy, France, Great Britain, and the United States, which is at the bottom with about 1½ per cent of the national income being spent for arms. Huge sums of money have been borrowed to pay these heavy military expenses, and as a consequence virtually no government is operating on a balanced budget.

The three fascist powers, Germany, Italy and Japan, face the same fundamental economic weakness: Their great dependence on the outside world for raw materials. Each has made frantic efforts to become self-sufficient, stressing especially the utilitation of "substitute" materials and an increase in agricultural productivity. Despite their boasts to the contrary, none is able to supply its own needs. Germany, by far the best off of the three, can only claim a self-sufficiency of 81 per cent. In these three countries the standard of living has been forced down, the people burdened with heavy taxes.

Russia Quiet

Russia, the other totalitarian state, does not feel the same urge to expand that Japan, Germany and Italy do—although her plans in northern Asia are still problematical. The Soviets are rich in resources and need only to develop them to move forward. Her armament program, it appears at the moment, is purely defensive. But Russia is paying for her armaments as she goes along; she is not incurring huge debts which must later be repaid. It is agreed, however, that her economic system is not so closely geared to her armament program as is the case with Germany, Italy and Japan.

Up until within the last few months, the three great western democracies, Great Britain, France and the United States, were apparently too concerned with internal problems of relief and labor to match, the armament program of the totalitarian states. Only last year did Great Britain enter the billion-dollar cloumn. France and the United States will not reach that mark until the completion of this year's spending. However, viewed in the light of recent reports, it appears that America's appropriations for re-armament have only begun, and that in 1939 the will divert even greater sums for defensive weapons.

Harbinger?

The democracies are unquestionably in a better position to go ahead with their armament programs than the fascist nations. Great Britain and France have their colonies and the United States has vast resources of raw materials within her own borders. But because these countries have been more liberal in their spending for relief and civil developments, they are also financing their budgets on borrowed money.

Certain observers believe that the economic consequences of continued re-armament for them will, therefore, be serious, but they have much greater resources upon which to draw than the fascist countries. Despite these opinions, re-arming is moving ahead, and in the vanguard with plans which yet lack sufficient appropriations, is the United States.

It is a matter to which Japan will undoubtedly pay increasing attention in the months to come. Perhaps a harbinger of official notice to American re-armament was the statement on November 24 by Kensuke Horinouchi, newly-appointed Ambassador to the United States. Speaking in Tokyo, the new envoy said: "Japan will welcome American co-operation in achieving the establishment of a 'new era' in East Asia."

Good Business for Stores

All the department stores are enjoying very good business, according to well-informed circles. One of the biggest department stores sells about $50,000 worth of goods in a day. Among the customers, the Japanese are reported to have spent large sums of money in buying fur coats and other luxurious articles.

Because of the abnormal situation in Shanghai, the Japanese are reported to have made large sums of profit. Knowing that they cannot remit the money to Japan in view of the National Mobilization Law, these Japanese are spending the money here in Shanghai.

87-022

50,000 Persons Being Poisoned in Nanking by Japanese Opium Dens

A damning indictment of Japan's sinister campaign to subdue the Chinese through opium, was given by Dr. M. S. Bates, an American missionary educator of Nanking, to the *Shanghai Evening Post and Mercury* and the *China Press* this week. The statement, entitled, "An Open Letter on the Narcotic Problem," was published in full by these two papers. The statement formerly had been offered to the *North China Daily News* for publication, but the British paper failed to make use of it. The *China Press* version of the statement read:

Fifty thousand people—one eighth of the population of Nanking—are being slowly poisoned today by heroin, supplied by Japanese controlled drug rings. Every month a minimum of $5,000,000 are being squeezed from the impoverished Chinese in the region by dope traffickers, belonging to or allied with, the Japanese Army.

Dr. Bates gathered the material for his careful report through personal investigation, observations to reliable friends, statements made by dealers and officials and from regulations issued by the puppet administration of Nanking. Dr. Bates in the past has made a number of other reports of this type, one of the most important being a statement on the "Rape of Nanking" last December. His conservative estimate of 50,000 persons including small children, already gripped by the heroin habit does not include the thousands under the deadly influence of opium and other illicit drugs.

S.S.S. Active

Dr. Bates statement indicates that the strongest of the four drug-trafficking organizations active in the city is directed by the Special Service Section of the Japanese Army. The following four groups are named by Dr. Bates as closely connected, with the trade to narcotics:

1. The Special Service Section of the Japanese Army.
2. The puppet administration of Nanking.
3. "Independent" Japanese and Korean Drug runners.
4. Japanese business firms.

According to information given to Dr. Bates by "an agent of considerable standing," the Special Service Section of the Japanese Army has recorded monthly sales above $3,000,000 in the area of which Nanking is the center.

The puppet administration has provided for the "regulated" sale of opium, according to the statement. Seventeen retail stores are known to be in full operation, and others are reported to be in the process of organization. These stores are taxed in three grades, it is alleged, presumably according to the amount of business done—at $4,200, $2,840 or $1,420 per quarter. Over 40 dens are said to be doing business as from November 15. These are taxed according to the number of lamps employed: nine lamps, $150; six lamps, $100 and three lamps, $50.

Ample indication is given in Dr. Bates' report to show that the regulations of the puppet government are flagrantly violated. "The official reason for the provision of public dens is that of 'compassion for the hardships of poor laborers,'" states the report.

Another justification to the easy and cheap supply is to protect the public from exploitation by private trade—"which does not pay assessments to the right office." Numerous hotels and brothels are said to be engaged in the traffic. 'Within the past few days, one organization of Japanese and Korean 'hostesses' and ronin brought in 80 cases of opium," Dr. Bates declares.

The statement further reveals that a good deal of the wholesale trade is carried on by Japanese firms which outwardly deal in tinned goods or medicines, but handle heroin through roims in the rear. The names and addresses of certain of these firms are notorious, the statement says. Petty trade also is carried on by runners who bring liads of goods from Shanghai. Although the exact source of the heroin consumed is unknown, its price is said to be based on the Shanghai price for the Dairen product.

Opium from Dairen

"There is abundant testimony that the major opium supplies come from Dairen through Shanghai," Dr. Bates' report reveals. "Until recently," the letter continues, "there also has been some crude Anhwei opium on the market. But the more efficient production in 'Manchukuo' and the recently improved transportation and distribution facilities for the opium trade make it possible to sell Dairen opium at $11.50 per ounce in the retail stores (said to be $11 from the Bureau, and $9 in quantity from the Dairen-Shanghai organization) which eliminates the Anhwei article and the recent price of $14-$15."

The rapid spread of heroin is closely connected with the increase of thieving and difficulty of social control in Nanking, says the statement. A recent police report declared that in Nanking there now are 40,000 persons to be classed as thieves, and that the basic cause for their conduct is the use of heroin by 140,000 persons, mostly in the same families with the thieves, who are themselves addicts. Dr. Bates, however, believes this figure to be exaggerated.

A strong condemnation of a government which permits this ruinous use of drugs is contained in Dr. Bates' letter. He says: "One cannot imagine a shorter sight and a narrower greed than that which exploits the war-time ruin of a relatively decent society, to draw the hungry and sick and hopeless down the false road that leads only to destruction. To make cheap supplies universally available, and to increase their use through advertising, and the building up of a vast public and private financial interest in the extension of sales, is a policy based either on stupidity or on inhuman greed.

"Do either Chinese or Japanese interests require for the future a drugged people, short-lived and infecund, physically indolent and morally irresponsible? That is the kind of people who are being developed in the Nanking Area today by the Opium Suppression Bureau and by the heroin merchants of all types. Here is a flat test of the statesmanship and the character of the Reformed Government and its sponsors. No Chinese of real words will trust or assist an administration which ruins society before his eyes.

"And conversely, if the new administration wants the support of the better elements of the population, the first step to secure it is an instant and resolute stoppage of the flood of narcotics. These words are written not as supercilious advice to officials who presumably understand what they are doing, but to emphasize the original apleal to Japanese and Chinese friends who are not yet aware of the urgency of the problem, in the hope that they may exert constructive influence at once."

Comment

Commenting editorially on Dr. Bates' report, the *China Press* said:

"What Dr. Bates discovered as regards the Nanking opium situation is probably true of practically all the Japanese-occupied cities, including Shanghai. In this city it has been well-known that the Japanese narcotic barons, aided by their Chinese agents, have been trying for the past year to organize the opium business in Shanghai. Thus far, the Japanese have failed to make any definite headway chiefly because of the vigilance of the police forces of the two foreign-controlled areas and the staunch refusal of the Chinese opium hongs to fall nto line with the Japanese monopolization projects.

"However, foreign investigators here know that enormous quantities of Jehol and Iranian opium are stored in various places under the Japanese control and that the Nipponese and their Chinese agents are ready at any moment to launch their sales campaign as soon as their underground organization is completed. Even without the high-power sales drive, Shanghai today is already experiencing a brand of Japanese narcotic invasion very similar in methods and effects to the one in Nanking. In the Japanese-controlled areas adjacent to the extra-Settlement roads every conceivable form of narcotics can be obtained without the slightest trouble. In the gambling dens in this area, opium and heroin, in fact, are sometimes furnished free by the proprietors to anyone who cares to indulge in such dangerous stimulants.

"The narcotic situation in Shanghai will rapidly deteriorate unless strong words and forceful actions are forthcoming from Washington, London and Paris. We suggest joint action by the three nations because Shanghai as an international port, can be—and is being returned into the chief point of transhipment for narcotics exported from the Japanese-controlled areas in China. Even at this moment, foreign investigatiors with enough foresight and understanding realize the danger of the Japanese plans for using this city as the base of operations for sending opium and heroin to America, the various parts of the British Empire and Europe. Thus enlightened self-interest must and will compel the foreign powers to take a hand in checking the flow of narcotics in Shanghai.

"Dr. Bates' report conveys the very definite impression that the organized sales of opium in Nanking is a deliberate Japanese plan for using narcotics as a means of subjugating the Chinese people. This impression is by no means new. In the report made to the Opium Advisory Committee of the League of Nations on June 21, the American representative, Mr. Stuart J. Fuller, presented a similar conclusion."

Chinese Girls Bus Conductors

Japanese boys and girls employed as conductors on buses operated by a Japanese company in the Hongkew district have been replaced by Chinese girl conductors who speak a little Japanese, *Domei* reports. At present the Chinese girl conductors are employed on buses of one route only.

Shanghai Newspapers Back in Tientsin

Apart from the *Shanghai Evening Post*, which has not been received since November 5, issues of Shanghai English-language newspapers are again being received by subscribers after a brief stoppage. Deliveries, however, are still very irregular, and there are wide gaps in the issues received.

87-023

Chiang Takes Command in South as Chinese Defense Weakens

THIS week continued to furnish dramatic scenes in the Sino-Japanese war, as Japanese forces on Nov. 25 smashed into the South China town of Shumchun, on the Chinese side of the New Territories boundary, bringing the cannons of war to the very backdoor of Hongkong.

As the war raged, 100,000 refugees began a mad scramble to find a haven in British territory. The border bridge was guarded by Indian constables, but the refugees constructed improvised pontoon bridges from sampans, and streamed across the Shumchun River, which forms a natural boundary, at that point. At the height of the panic, the Governor of Hongkong, Sir Geoffrey Northcote, arrived at Shumchun and, seeing the pitiful plight of the weeping and wailing refugees, ordered the bridge to be opened.

Thousands of Chinese immediately rushed across, milling hither and thither. Hundreds lost their children and relatives in a frantic rush for sanctuary. Thousands of them climbed through barbed wire, while others waded and swam across the river at many points. The paddy fields along the border were crowded with such numbers that it looked as though they were swarming with myriads of ants.

Breasting the tide of incoming refugees, *Reuters* correspondent on Nov. 26, toured the border of the New Territories, the Chinese side of which was in Japanese hands. On the British border road, shrapnel scored in several places, while on the dividing bridge over the Shumchun River, on the Hongkong-Canton highway, a shell struck exactly in the center. It was here that a platoon of the Middlesex Regiment had a narrow escape, several shrapnel splinters striking the dugout in which the British soldiers were sheltered.

Numbers of incoming refugees displayed severe wounds, some of which were from bullets and some from bayonets. Most of the victims, however, were too terrified and inarticulate to relate how they had come by their injuries.

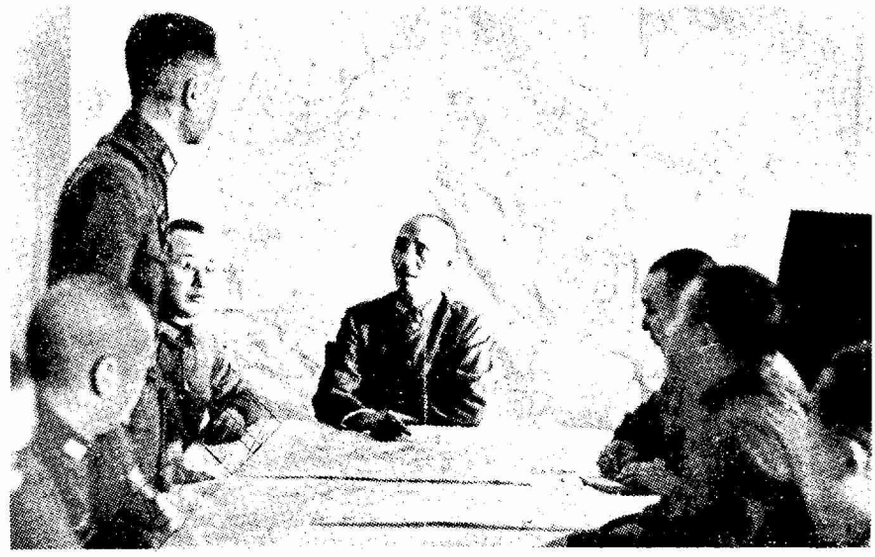
Numbers of Chinese wounded troops were succoured by the Royal Army Medical Corps. These complained bitterly of the desertion of their superior officers, stating that only one major and another commissioned officer remained with the troops. Telephone messages from British military observers on the border stated that "shells were dropping on our very doorstep." The correspondent of the *China Mail* was narrowly missed by a shrapnel, which imbedded itself in the ditch in which he was crouching.

The excitement on the Hongkong border died down by Nov. 28, although Japanese troops continued their mopping-up operations and began working their way eastward towards Mirs Bay. The only Chinese troops remaining in the adjacent territories were 540 men at Cheungkai, and a further 250 at Shataukok. Both groups were persistent in refusing to seek shelter in British territory, and were resolved to fight to the last. Eight hundred Chinese troops, interned at Fanling, were removed to a vessel in Kowloon Bay, where, it was stated, they will be held for the duration of hostilities.

British military authorities in Hongkong on Nov. 27 officially announced that they regarded the brief Japanese occupation of British outpost No. 2 on the Kowloon Leased Territory border on Nov. 26 as a mistake induced by the position of the sandbag emplacement. A communique issued in Hongkong noted that the past was located west of the Canton-Kowloon Railway and outwardly resembled a Chinese defense position. When informed by British officers that the Japanese troops were in British territory, the Japanese commanding officer apologized and ordered his troops to withdraw several hundred yards to the north, the official announcement said. The attitude of the Japanese throughout this brief incident was conciliatory, the communique noted.

Commands Changed

Meantime, as the war raged near Hongkong, a *Kuomin* report from Linhsien announced that General Chiang Kai-shek, President of the Military Affairs Commission, had personally taken over the duties of commander-in-chief of the 4th War Zone, in the Kwangtung and Kwangsi area—a post which had been held concurrently by General Ho Ying-chin, Minister of War.



Front Cover, Newsweek.

General Chiang Kai-shek who this week took over command of the Kwangtung and Kwangsi area from General Ho Ying-chin, Minister of War. General Ho is seen to the left of General Chiang who is seated with his back to the wall. Other Chinese high military officers are pictured seated around a map-laden table.

General Pai Chung-hsi, famous Kwangsi strategist, was reported appointed deputy commander-in-chief of the same zone, in succession to General Yu Han-mou, in command of Canton when the Japanese entered in October.

As fighting subsided near the New Territories, reports told of the possible imminence of a simultaneous big push in northwest, central and south China by the Japanese. Chinese reports stated that the Japanese were massing troops in the vicinity of Hankow, Canton and Taiyuan for a simultaneous push into Shensi, northwest Hunan, in central China, and Kwangsi, in south China. A major drive, it was said, will be made probably in Kwangsi, where the Japanese will push westward, towards Yunnan, via Kweilin and Paisheh.

The Japanese big push, Chinese circles believed, will start in a month's time as the Japanese hope to reach Yunnan before March, when the malaria season, which begins in the region, will render military operations almost impossible.

According to Chinese war news, the pressure of the Chinese attacks along the Hunan-Hupeh border caused the Japanese to retreat from the positions held in that area. Although the town of Yochow is still in Japanese hands, the Chinese forces have received considerable aid in their effort to retake it from the fact that Japanese gunboats have been compelled to withdraw from the neighborhood of the city owing to the low level of the Tungting Lake.

The Chinese troops are also exerting pressure on the Japanese front north of the Yangtsze in the region lying to the west of Hankow, according to Chinese reports.

Positions

The Sino-Japanese positions on the various fronts are given in the latest Chinese military despatches received at Chungking. On the Hunan front, the Chinese and Japanese forces are said to be opposing each other 10 miles south of Yochow, between Matang and Yungchiawan. Only skirmishes are stated to be going on at present in this area. Chinese patrols are alleged to have reached a point seven miles south of Yochow.

Due to the fall of the Tungting Lake water level, Japanese warships are reported to have withdrawn to points eastward of Yochow. Strong Chinese detachments are said to be constantly raiding Japanese positions in the vicinity of Sienning, Puchi and Tungchen, on the Canton-Hankow Railway, and also along the Hupeh-Hunan highway, east of Yochow.

Soviet Fight Looms

Meantime, in Tokyo, Lt.-Gen. Seishiro Itagaki, War Minister, made a statement. The War Minister said that armaments to be maintained by the Japanese Army are strong enough to enable Japan to execute her independent continental policy single-handedly in keeping with the "new position in East Asia" to obliterate the Chinese National Government and deal effectively with any intrigues.

Lt.-Gen. Hideki Tojo, vice-minister of war, said that while the end of the China hostilities is still far off, Japan, whether she wanted it or not, now faced operations against the Soviet Union and that therefore new armaments must be built up on a two-power standard.

While seeking a satisfactory termination of the hostilities the Japanese Army must be prepared for a frontal clash with both the Soviet Union and China in the future, Lieut.-Gen. Tojo stated. The Army is strong enough, Lieut.-Gen. Itagaki said, to crush the anti-Japanese, pro-Communist regime in China and at the same time to overcome any intrigues undertaken by "various influences which have driven China into war against Japan from behind."

87-024

The

CENTRAL BANK OF CHINA

A BANKERS' BANK

SHANGHAI OFFICE:

15 The Bund, Shanghai

Telephone 12570 Cables: "Governbank"

BRANCHES:

NANKING	*Chubsien*	Swatow	NANCHANG	Lanchow
Hsuchow	AMOY	TIENTSIN	*Chi-en*	Kweiyang
Panpu	Foochow	Peiping	*Fuchow*	CHUNGKING
Sinpu	*Chuenchow*	*Shihkaichuan*	Kiukiang	Chengtu
Chinkiang	*Yenping*	Tsingtao	Chengchow	*Wanhsien*
Yangchow	*Kien-ou*	Tsinan	Kaifeng	*Santai*
Hsiakwan	*Pucheng*	Pengpu	*Loyang*	HANKOW
HANGCHOW	*Santu*	Wuhu	Sian	*Wuchang*
Ningpo	CANTON	Anking	*Nancheng*	Changsha

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

87-025

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Nov. 9.—Japanese troops reported gaining in their drive toward Changsha, Hunan capital, along Canton-Hankow Railway. Tsungyang claimed captured by the Japanese after fierce fighting. Hengshan and Hengyang, in southeastern Hunan, on Canton-Hankow Railway, heavily bombed by 72 Japanese airplanes (yesterday); more than 250 bombs dropped, causing heavy casualties and extensive destruction. **Domei** claimed that Japanese vanguards nearing Yochow, strategic point at mouth of Tungting Lake, northern Hunan. Chinese claim extensive gains in South China; recapture of Fatshan, Samshui and Poklo reported.

Nov. 9.—Kunming-Kweiyang highway to be opened to traffic shortly, according to Chungking report.

Nov. 9.—China not to participate in New York World Fair of 1939, according to decision of Executive Yuan.

Nov. 9.—Rear-Admiral R. V. Holt, Commander of British Yangtsze Flotilla, stationed at Hankow, called on Gen. S. Hata, Commander-in-Chief of Japanese Army in Central China. Subject of conversation not revealed.

Nov. 9.—Approximately 120,000 Chinese guerillas claimed operating in Pootung area with Gen. Li Ming-yang (commander of Kiangsu Peace Preservation Corps) as Commander, according to Chinese report. Guerillas also active in Shanghai-Nanking areas with fighting in Wushih, Soochow and Quinsan; said to be under command of Gen. Jao Pu-chao and to have some 100,000 men. Gen. Chen Chi-tang, formerly commander of Kwangtung provincial forces, reported to have been appointed commander of all guerilla units in Kwangtung.

Nov. 9.—Japanese attempt to take over Canton Customs protested by E.D.G. Hooper, British Assistant Commissioner. Question referred to Shanghai Customs Headquarters.

Nov. 9.—Lei Shou-yung, official of Peiping government, departed for Hankow, preparing to set up new puppet administration. Tang Hsiang-min, ex-Tuchun (military governor) of Hunan, mentioned as candidate for head of projected "Wuhan Government."

Nov. 9.—Five persons killed and 16 wounded (yesterday) when Chengtu, Szechuan capital, was bombed for first time since outbreak of hostilities. Evacuation of civilians from Chungking ordered; large-scale air-raids by Japanese planes feared.

*
**

Nov. 10.—Chinese troops in South China progressing in counter-attack on Japanese who claimed retreating toward Canton along Yungyun-Tsunghua highway. Tsunghua, 20 miles northeast of Canton, immediate Chinese objective. Japanese troops, retreating towards the south along Canton-Hankow Railway, reported to have abandoned Chiangtsun station and are now holding Shihching, 6 miles north of Canton. Chinese guerillas active in Japanese occupied areas, cutting Japanese communications. Japanese continue to advance along Canton-Hankow Railway from Hankow towards Changsha, Hunan capital, but advance meeting stubborn Chinese resistance. Tungcheng, important Chinese stronghold on Hupeh-Hunan border, claimed captured by the Japanese yesterday.

The Japanese suffered heavy casualties including 8,000 killed and 10,000 wounded during recent campaign against Chinese forces in Wutaishan Mountain, in northeast Shansi. Chinese have recovered many important points of the mountain stronghold, from which they were previously driven away.

Nov. 10.—R. A. Butler, British Under-Secretary of State for Foreign Affairs, declared in House of Commons that Great Britain was determined not to recognize any alteration in the international treaty positions in China, which had been brought about by unilateral Japanese action. He said, "Our stand in this connection, is the same as that clearly laid down by Mr. Cordell Hull on November 4, which will equally serve to define the British Government's attitude in regard to the Washington treaties."

Butler's statement made in reply to a strong attack on the Government's foreign policy, in connection with China, by Sir Stafford Cripps, labor member, and Lloyd George. The Welsh statesman said that in China the Government had surrendered far more than Japan had ever demanded. "I cannot imagine a greater act of folly than a settlement in China like Czech-slovakia," he declared. China is not a conquered country, declared Sir Stafford Cripps.

Nov. 10.—Maj.-Gen. Tanehide Furujo, retired, president of **Manchurian Daily News**, committed hara-kiri at his home in Dairen. Motive unknown.

Nov. 10.—Administrative Commission of University of Shanghai issued statement on findings made by the Commission during Japanese-escorted tour of the university campus some days ago. Commission will continue to demand return of University premises and compensation for all damages done.

Nov. 10.—China Campaign Committee in London issues appeals for funds for new international hospital to be established in south Shansi.

Nov. 10.—Wilhelm Wagner, first German Minister to "Manchukuo," arrived at Changchun to assume his post.

*
**

Nov. 11.—Chinese troops continue advance towards Canton in three directions along Canton-Hankow Railway. Two more cities, Changtsun and Talang reported recovered. Cantonese militia from Swatow and Chaochow assisting Chinese troops in drive in that direction on Canton. Guerilla bands active along Canton-Kowloon Railway.

Holding himself responsible for loss of Canton, Gen. Yu Han-mou, Pacification Commissioner of Kwangtung, tendered resignation to the Government, Nov. 9. Japanese claim capture of Yochow, important city at mouth of Tungting Lake. Yochow located 130 kilometers north of Changsha on Canton-Hankow Railway. Fall of Tungcheng, on Hupeh-Hunan border, admitted in Chungking.

Nov. 11.—Gen. Chiang Kai-shek will henceforth decide solely on all questions concerning China's national policy, which is based on prolonged resistance, according to **Kuo Min** report from Chungking. Important proposals to be submitted to forthcoming 5th Plenary Session of Kuomintang C.E.C. must also be subject to final approval of Gen. Chiang.

Nov. 11.—Britain, France and the United States made separate representations to Japan on Nov. 7 in regard to re-opening of Yangtsze River to navigation, Tokyo Foreign Office spokesman disclosed today. Spokesman said River dangerous, military purpose given as reason for Japanese exclusive use of waterway.

Nov. 11.—Some 4,000,000 school books owned by Chinese World Book Company in Shanghai seized by the Japanese, according official of the Company; plant located at 130 Dalny Road in Yangtszepoo District. Value of the books confiscated estimated at $800,000. Shipped to Japan, the books are being sold for waste paper. Company lodged protest with Shanghai Municipal Council for permitting confiscation.

Nov. 11.—Tokyo Foreign Office spokesman said at press conference that Japan's military operations in China "might be extended to Tibet." Asked whether the Japanese Army and Navy intended to take Lhassa, he replied, "Yes, if we deem it necessary."

Nov. 11.—As result of frequent Japanese air-raids, population of Ichang, River port above Hankow, have evacuated for up-river points.

*
**

Nov. 12.—Chinese claim recapture of more cities in southern Kwangtung, including Tamshui, northwest of Aotao, in the Bias Bay area; Fahsien, west of Tsungfa; Lungmoon, north of Poklo; Suntong, east of Canton, along Canton-Kowloon Railway. Japanese spokesman at Shanghai denied Chinese reports, but admitted severe fighting going on in South China. Yochow, important city on Canton-Hankow Railway about 130 kilometers north of Changsha, claimed completely occupied by the Japanese. Capture of city said of little important in Japanese land operations, but would have serious bearing upon naval operations on Tungting Lake. Enormous fires breakout in Chinese city at Hankow, near Han River; half-mile area turned into inferno.

Huge fires broke out in Changsha, Hunan capital.

Nov. 12.—Parallel Notes, containing firm representations regarding navigation on the Yangtse, were sent to Tokyo by Great Britain, France and America on Nov. 7. The British note declared that discrimination had been made against British shipping, that the Japanese had time and again promised to reopen the Yangtse, following the fall of Hankow, and that this had not been done.

Nov. 12.—A firm stand to enforce the principles of the Open Door, including retaliatory and other measures to compel the realization that American interests in China must be respected, is urged in a resolution passed by the American Chamber of Commerce in Shanghai. The resolution unequivocally endorsed the United States Note to Tokyo of October 6, requesting the Japanese Government to cease discrimination against American enterprises in China.

Nov. 12.—72nd anniversary of birth of Dr. Sun Yat-sen, founder of the Kuomintang and Chinese Republic, passed quietly in Shanghai. Shanghai Kuomintang Headquarters issued manifesto, urging Chinese residents to assist the Government in financing the war and to boycott Japanese goods.

Nov. 12.—Thirty-two people's organizations in North China dispatch message to Gen. Chiang Kai-shek, pledging support for campaign of resistance.

*
**

Nov. 13.—Changsha, Hunan capital, threatened as result of rapid advance by Japanese troops. Civilian population evacuating city by all available means, practically entire city in flames.

Japanese launched (Nov. 10 vigorous attack on lone Chinese battlion at Kuling mountain resort in Northern Kiangsi; attack repulsed after severe fighting; many foreign missionaries also on mountain. Artillery duels fought between Chinese and Japanese forces across Siu River, in northern Kiangsi. No change in position reported.

Nov. 13.—Approximately 75 per cent of the total value of Japanese property in Hankow was destroyed, Colonel H.

Hamada, director of Press Bureau of Japanese forces in Central China, told Japanese newsmen on his return to Shanghai from a Yangtse River tour.

*
**

Nov. 14.—Preparing for major battle in Hunan hills with the Japanese, the Chinese reported rapidly completing concentrations of troops and supplies south of Changsha. Troops moving into Hunan from Yunnan, Kweichow, Szechuan and Kwangsi with Hengyang as key point of expected major engagement.

Huge fires continue to rage in Changsha where entire city threatened. Casualties believed small because of general evacuation of the population, but property losses heavy. Many important buildings burned. Foreign property also damaged, but extent unyet known. Fall of Yochow admitted by Chinese authorities; Chinese troops withdrew from city on night of Nov. 11.

Actual status of Japanese advance on Changsha still obscure, but rumored that the Japanese advancing along Canton-Hankow Railway.

Fires in Hankow still unchecked. Considerable portion of Chinese city destroyed; explosions occur in many places.

Nov. 14.—Japan rejects demands of Great Britain, France and United States for opening of Yangtsze River to third Power navigation and commerce. Demands made to Japan by three Powers in separate notes on Nov. 7. Five reasons cited for rejection.

British trade interests in Shanghai disappointed at Japan's negative reply.

Nov. 14.—Thirty battalions of guerillas totalling 120,000 men are operating in Shanghai area, according to Chinese report.

*
**

Nov. 15.—Japanese merchant vessels established exclusive monopoly in Yangtsze. Japanese contention that River is unsafe for foreign shipping disproved by facts. A survey conducted by **The China Press** reveals following outstanding facts:

1. Japanese merchant ships are plying freely in the Yangtse;
2. No Japanese cargo or passenger, despite Tokyo's allegation that the river is still infested with mines, has met with any mishap; and
3. Japanese shipping firms are now enjoying in effect a monopoly on Yangtse shipping as a result of Tokyo's refusal to open the river to third-power merchantmen.

Yangtsze reopening impossible, declared Japanese spokesman at Shanghai press conference. River said being used by Japanese forces as chief line of communications. Military operations given as reason for closing river to foreign shipping.

Nov. 15.—After interviewing Gen. Chiang Kai-shek, Sir Archibald Clark Kerr, British Ambassador, arrived at Chungking. Will call on Foreign Minister Dr. Wang Chung-hui and other government leaders. China detemined to continue the war, declared Gen. Chiang Kai-shek in his talk with the British Ambassador in Yunnan province, according to **Havas** report from London.

Nov. 15.—Kunming-Kweiyang bus service inaugurated; line in operation since Nov. 1.

Nov. 15.—American Consul-General at Hankow Paul R. Josselyn, lodged strong protest with Japanese Consul-General against incident at Wuchang on Nov. 13, when Japanese soldiers hurled a bottle of carbonic acid solution at Dr. Logan Roots, American physician and son of Bishop Roots; bottle missed Dr. Roots but struck gate and spattered over him; Japanese also insulted American flag.

Nov. 15.—General Ho Ying-chin, Minister of War and Commander-in-Chief of the 4th (Kwangtung-Kwangsi) War Zone arrived in northern Kwangtung to personally direct the Chinese counter-offensive against the Japanese.

Nov. 15.—Delegation of Nanking puppet regime headed by Liang Hung-chih arrived at Tokyo in Japanese airplane "on goodwill visit." Liang to pay respects to Japanese notables and seek instructions regarding plans for establishment of new puppet government, amalgamating Nanking and Peiping regimes. The party will also attend the so-called Japan-China-"Manchukuo" Economic Co-operation Conference.

Nov. 15.—Chengtu, Szechuan capital, raided again by Japanese air-bombers.

Nov. 15.—Chinese guerilla units in Pootung reorganised and placed under command of Ting Hsi-shan; total strength estimated at 36,000 men. Guerillas also active along Chekiang-Kiangsu border districts.

Nov. 15.—Changsha, Hunan capital, almost entirely destroyed after two-day conflagration. Japanese attempted advance on Changsha slowed down.

As a result of the Japanese threat to Changsha and frequent Japanese air raids, Chinese authorities have begun evacuation of civilians from Hengyang and Hengshan.

Nov. 15.—Japanese-occupied China was the biggest buyer of Japanese products during the month of October with exports totalling Y.33,483,000 out of a favorable balance of Y.79,675,000 experienced by Japan in her trade with Manchuria, the Kwantung Leased Territory, China and Hongkong according to announcement by Tokyo Finance Ministry.

*
**

Nov. 16.—Severe fighting occurring in outskirts of Canton as result of concerted counter-attack launched by regular Chinese troops, mobile units and local self-defence corps in effort to recapture city. Japanese troops reported retreating from Canton Proper, awaiting arrival of reinforcements from transports. In addition to Samshui, Chinese claimed recapture of more towns including Lungmen, Tunghua, Tsengcheng and Waichow. Canton-Kowloon Railway cut by the Chinese at several points.

Squadron of Chinese airplanes dropped (yesterday) food and ammunition to Chinese troops on top of Kuling, Kiangsi Summer resort, in order to relieve serious food shortage.

Nov. 16.—Wu Pei-fu, former warlord and leader of old Chihli political clique, reported selected by the Japanese as head of projected puppet "Federated Government of China."

Mount Asama Erupts

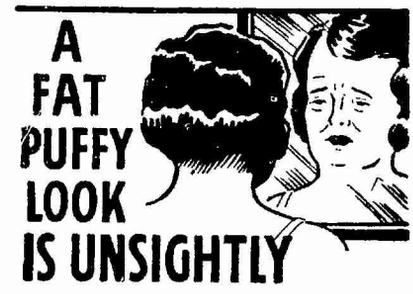
Mount Asama roared into action Nov. 28 when the volcano near the Karuizawa summer resort erupted to the accompaniment of loud rumblings causing a near-panic among the inhabitants of the surrounding area. Recorded as the most violent in recent months, the eruption which occurred at 8:37 o'clock, caused frightened residents of Maebashi, nearest to the volcano, to rush outdoors. Windows and doors of houses, in some parts of Tokyo, rattled for a time. No reports of damage have been received.

Contentment in Baltic Nations

People of Estonia, Latvia and Lithuania, who declared their independence from Russia 20 years ago, are leading a happy and contented life in sharp contrast to the confusion in the Soviet Union, Shin Sakuma, Minister to the three Baltic countries said in Tokyo, Nov. 29, as he returned from Europe. Sakuma told newspapermen that some Latvian workers, induced by Soviet propaganda, had gone into Soviet Russa only to find themselves oppressed. Many Soviet airmen, he said, had fled into Latvian territory.

Typewriters, Automobiles, Bought, Sold, Rented, Repaired and Rebuilt
BARTLETT YUNG & CO.
132 Kiangse Road Tel. 11875
GARAGE
32/Ln 749 Yu Yuen Road Tel. 20349

PAINTS AND PAINT WORK
Everything the best
H. B. CAMPBELL
1481 Bubbling Well Road
Phone : 34360



Poisoning of the system by the body's waste materials is frequently the cause. Through defective elimination—irregularity of what should be the daily habit—these poisons get absorbed into the blood stream and help form unhealthy fat tissue. They also are the cause of the headaches, bilious attacks, pimples, coated tongue and bad breath so common among constipation sufferers.

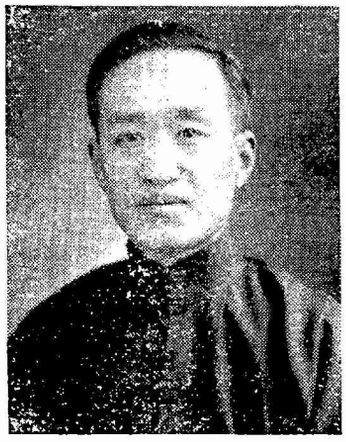
To quickly correct constipation, aid the liver, banish biliousness with all its symptoms, stimulate digestion and to restore the cheeriness of regular health there is nothing better than Pinkettes, the dainty little liver and laxative pills. If constipated and liverish try Pinkettes tonight, and see how much better and brighter you'll feel tomorrow morning. Of all medicine stores.

PINKETTES
HELP YOU SLIM

87-027

Who's Who in China

Chi Ching-hsin, physician and educator; born in Hopei, 1894; graduate of Chihli Higher Normal College and Jefferson Medical College; internship for two and a half years in Jefferson Hospital, Philadelphia, Pennsylvania, U.S.A.; taught medicine in former Hopei University and later worked in Peiping Union Medical College Hospital; Dean of Medical Department of Hopei University; engaged in private practice; Director of Medical Department of Ching-Hsin Mining Administration, 1932-34; Director of Hopei Provincial Medical College since 1934; address: Hopei Provincial Medical College, Paoting, Hopei.



Chi Ching-hsin
齊 清 心

Japanese Abroad

(*Continued from page 11*)

pended on an anti-Japanese propaganda campaign through films, radio, newspaper, and magazine articles, and by many other effective methods. They know the psychology of the American people, and moreover for propaganda they have a genius. This did not fail to rouse Japanese residents to action. Everywhere they promptly set up an emergency-time committee for raising funds. Thus the New York committee succeeded in collecting $100,000, followed by the San Francisco committee with $50,000, Los Angeles with $5,000, and Seattle with $2,500. All this, however, is as nothing compared with the funds raised by Chinese abroad. But it was none the less enough to start their campaign.

They made full use of each and every radio station available, thus giving frequent five to ten minute talks. Also, they went out to primary and secondary schools to give lectures to American student audiences. They also delivered lectures at chambers of commerce. Constant use was made of magazines and newspapers. Cocktail parties were given at various clubs. Thus no stones were left unturned to explain the causes of the present hostilities and the true intentions of Japan. Activities of Japanese abroad do not end there. They have made gallant efforts to subscribe to patriotic loans to the best of their means. Some time ago a certain Japanese abroad sent to Mr. Matsuoka, one of the directors of the Osaka Mainichi, a sum of Yen 503, asking him to be good enough to buy a bond to the value of Yen 500 and spend the balance on the necessary postage for sending it.

The extire property of Japanese abroad, especially of those living in Hawaii and North America, is estimated roughly at Yen 1,300 million. It is expected that, if need be, about half of this amount may be converted into patriotic loans. A general mobilization of the financial power of Japanese abroad seems to be more tangible than a perhaps, when the destiny of the Japanese Empire is at stake.

Russo-Japanese Fishery Squabble

Soviet contentions in support of a renewed Moscow refusal to sign an amended version of the Russo-Japanese Fisheries Agreement, initialled in 1936, were refuted in a lengthy statement issued in Tokyo, Nov. 19, by the Foreign Office. The Soviet Foreign Commissariat claimed that Japanese violation of provisions of the Portsmouth Treaty, that brought to an end the Russo-Japanese hostilities of 1904-05, made it unnecessary for the U.S.S.R. to recognize the Japanese right to fish in Russian waters as provided in the pact.

Japan was also accused of not carrying out the terms of the sales contract of the North Manchuria Railway, formerly the Chinese Eastern Railway. The Gaimusho statement characterized as "groundless" the Soviet allegation that Japan had violated the provisions of the Portsmouth Treaty by interfering with free navigation in the La Perouse Straits, while Moscow's charge that Japan was not fulfilling the stigulations of the S.M.R. agreement was described as unreasonable. Manchukuo, the Gaimusho declared, was withholding the payment of instalments on the line because of a Soviet failure to pay a debt incurred in connection with the railway to the Hsinking authorities.

With the contracts regarding the lease of 44 fishery districts and the operation of conneries due to expire in December, the Gaimusho statement recalled, the Japanese Government had directed its former Ambassador to Moscow, Mamoru Shigemitsu, to invite the U.S.S.R. to sign the Fisheries Agreement drawn up in 1936 after making certain amendments required by changes which occurred during the last two years.

Embarassing Moment!

Western Mail and South Wales News, Cardiff

In view of the failure of the Soviet Union to sign the initialled agreement, assertedly in retaliation for the conclusion of the German-Japanese anti-Comintern pact, Soviet-Japanese relations regarding fisheries were governed by a *modus vivendi* renewed annually. Shigemitsu, the statement went on, had extended the invitation to Maxim Litvinoff, Foreign Soviet Commissar, on Sept. 21. An answer was promised the Japanese envoy, according to the Gaimusho.

On Oct. 15, prior to his departure for London, Shigemitsu had again approached Litvinoff. It was then, the statement said, that the Soviet commissar had advanced the argument that the U.S.S.R. no longer tea...u argument that the U.S.S.R. no longer felt itself bound by the Portsmouth treaty inasmuch as Japan was disregarding certain provisions of the pact. Following the assumption of the Moscow post by Shigenori Togo, negotiations were resumed on Nov. 11, when the Japanese diplomat informed M. Litvinoff that a failure to recognize the Japanese right to fish in Russian waters would, in the opinion of the Tokyo Government, have an adverse effect upon the relations between the countries, the statement revealed.

Litvinoff, the Gaimusho communique stated, had then said that the metter was out of his hands as it was being studied by the Foreign Affairs Committee of the Supreme Council of the U.S.S.R. The Foreign Commissar reiterated the Soviet allegations of Japanese treaty violation.

Border Incident

Several Soviet cavalrymen crossed the Manchukuo border at Crescent Hill, southeast of Wangyenshan, Nov. 17, according to a dispatch reaching seoul from Hunchun. They were repulsed by Japanese border patrols, the dispatch stated.

Berlin plane Lands in Tokyo

Completing an epochal flight from Berlin to Tokyo over a 14,600-kilometer course in 46 hours and 18 minutes, the giant Condor goodwill plane carrying five German airmen landed in Tokyo at 10.10 o'clock Nov. 30 (Japan time). The German fliers received an enthusiastic ovation from a vast crowd when they stepped from the air liner at the Tachikawa Military Airdrome in a Tokyo suburb. Heading a welcoming delegation were Major-Gen. Eugen Ott, German Ambassador; Japanese Government officials and leading Japanese and German citizens of the capital.

In the United States Court for China

In re. Last Will and Testament of FREDERICK PAUL BEACH, Deceased	Cause No. 4377 Special Proceedings No. 2256 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Frederick Paul Beach, deceased, to present the same with vouchers to the undersigned on or before July 1st, 1939, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Frances Beach Bingham,
Executrix.
Foochow, China.

December 1, 1938.
Shanghai, China.

Men and Events

Robert Bellaire of the *United Press* and Mrs. Bellaire, departed this week for Manila where they will remain for a month.

Fr. Enrico Rosa, S. J., well known as one of the editors of Japanese Catholic Encyclopaedia, died in Rome on Nov. 27 at the age of 68.

Lim Keng-hor, war correspondent for a syndicate of newspapers known as the Tribune Group in Malaya, arrived in Shanghai this week on a trip through the Far East. He is planning a trip to Japan and North China prior to returning to his headquarters in Singapore.

Japan's great need for human resources was cited as the reason why Kan Majima, Japan's leading advocate of birth-control, had changed his views. Mr. Majima became an advocate of birth-control in 1923 and in 1928 formed the Birth-Control League. Now he has recanted and is advocating increased propagation, citing the example of Germany in this connection. He also advocates measures to reduce infant mortality which now amounts to 17 percent.

Japanese artists have completed a picture, which the *Asahi Shimbun* claims is the largest in the world, for exhibition at the New York World's Fair. It is 37 meters long by 10 meters high and cost Yen 20,000. The picture depicts various objects of beauty in Japan, including Mount Fuji, the Hakone mountains, Mitsuhama, Awaji-Shima, Mt. Asama and the Southern Alps. The various places were first photographed and then enlarged in order to preserve the proportions in the large canvas.

The British Residents Association, under the chairmanship of J. W. Hawkings, devoted its annual meeting on Monday of this week to a discussion of problems involved in the closure of the Yangtsze and restrictions on trade and travel on inland waterways, jurisdiction of the International Settlement, currency manipulation and other problems resulting from the Japanese occupation. It was shown that action by the British Government had frequently resulted from recommendations by the Association here. Conversion of the western residential area of the Settlement into a factory district received extended discussion.

Two firms, incorporated under the provisions of the U. S. China Trade Act, were dropped from the rolls as a result of hearings in the U. S. Court on Nov. 29, the complaining witness being Miss A. Viola Smith, Trade Act Recorder. The cases were heard by Acting-Judge N. E. Lurton with Leighton Shields, District Attorney, prosecuting. The firms, neither of which had made any reports of their activities and were inactive, were Yung Pei Sales Company and Boie Laboratories.

Earl Browder of Kansas City, secretary-general of the American Communist Party, issued a statement on Nov. 27 urging the United States to guarantee the territorial inviolability of the Philippine Commonwealth. He charged that many of the interests now urging independence for the Islands "were not unwilling for them to fall into the hands of Japan or native Fascist rulers."

Three divorces were granted in the U. S. Court for China on Nov. 28: Mrs. Zai B. Marvin was granted a decree against her husband Milton C. Marvin, the attorneys being J. B. Davies and Leighton Shields; Hester Andrew Lindsey against Mrs. Linbow Alexandrovo Lebedova Lindsey, the attorneys being C. S. Franklin and H. D. Rodger; Sanborn Walseth against Mrs. Anne Stewart Walseth, this case being taken under advisement.

Harry Catlin, representative in the Far East for the Nicholson File Company of Providence, R. I., who has been in Shanghai for sometime, has gone to Hongkong.

Union Theological Seminary, New York City has invited contributions toward a "Student Friendship Fund," which will amount to U. S. $1,000 and will be devoted to financing a student from China, man or woman. Applicants, who are graduates of a recognized college or university, should apply before Feb. 1, 1939, to Mrs. R. M. White, National Christian Council, 169 Yuen Ming Yuen Road, Shanghai.

T. Y. Chang, who served as press-relations officer for the Chinese Municipality of Greater Shanghai, prior to the Japanese occupation, was severely wounded in a fight with Japanese troops on Nov. 26 at the town of Shumchun on the border between Hongkong and Kwangtung. Mr. Chang, who was commissioner of police was leading his forces in resisting the Japanese occupation.

Shanghai is experiencing a boom in the construction of new theaters, the latest development being a new construction at the corner of Ave. Foch and Ave. du Roi Albert. Another is being constructed at Bubbling Well and Seymour, while a third, also a new building will occupy a site at the corner of Rue Baron Gros and Avenue Edward VII.

An Enemy To Every Girl

Be On Your Guard Against Anaemia.

The girl of to-day has to guard against that old enemy, anaemia, just as her mother did in her youth. Now, as then, the evil influence of anaemia creeps stealthily into the lives of young girls and women, and often this state of bloodlessness is neglected until serious results develop.

The anaemic girl finds herself becoming pale, languid, nervous and breathless. She has feelings of faintness and often experiences headaches, backaches, breathlessness and palpitation.

If you have observed any of these warning signs, then beware of anaemia, and remember that you can make yourself well and strong, with healthy development assured, by taking Dr. Williams' Pink Pills. Not once or twice, but in thousands of cases, these pills have transformed pale sickly girls into robust healthy women, simply because they create the new rich blood that is so urgently needed to overcome anaemia's evils.

Feel the joy and vigour that new blood will infuse into your system by taking Dr. Williams' Pink Pills. Of all chemists.

BANK OF CHINA

The Specially Chartered International Exchange Bank of China

With Branches and Sub-branches throughout China, and Agencies and Correspondents all over the world, this Bank offers all kinds of banking facilities to meet your personal and business requirements.

624 Avenue Joffre Shanghai, China

87-029

Dr. T. B. Dunn and Mrs. Dunn returned to Shanghai this week from a trip to the United States.

Hallett Abend, director of the *New York Times Bureau*, has returned to Shanghai from a trip to Manchukuo and North China.

A Bland Calder, Assistant U.S. Commercial Attache, departed for Hongkong on business this week.

Reynal and Hitchcock, publishers of Lin Yu-tang's book, "The Importance of Living," announced in the *New York Times'* Book Review on Sept. 25 that 215,000 copies had been sold. The announcement was headed, "The Man and Book America Is Talking About."

F. T. Durdin, correspondent for *The New York Times*, departed for Chungking this week where he will be stationed. Mrs. Durdin, formerly Miss Margaret Armstrong, to whom Mr. Durdin was married on Nov. 12, will remain here for the present. She is a member of the faculty of the American School.

The United States Maritime Commission on Nov. 22, awarded a contract for the construction of six cargo vessels. The contract went to the Federal Ship-building and Drydock Company, the cost being U. S. $14,658,000.

Lieut.-Gen. Rihachiro Banzai, formerly an adviser to Chinese military leaders and now a member of the House of Peers, and Chuzo Mitsuchi, former Minister of Railways of Japan, have returned to Shanghai following an inspection of conditions in Nanking and other Yangtsze cities.

Lieut. Harvey Walseth of the U. S. Marine Corps, filed a complaint for divorce against his wife, Anne Walseth, in the U. S. Court for China on Monday, Nov. 28. District Attorney Leighton Shields produced evidence showing that Mrs. Walseth had refused to come to China with her husband. The case was carried over for consideration by Acting Judge Nelson E. Lurton.

Judge Milton J. Helmick of the U. S. Court for China, and Mrs. Helmick, returned to Shanghai this week from an extended vacation in the United States. They traveled to New York by way of Europe and spent considerable time at the Department of Justice in Washington before proceeding to their home in New Mexico.

Dr. Anne Walter Fearn, well known in Shanghai, has arranged for the publication of her forthcoming book by Harpers, New York. She was assisted in getting the manuscript into final shape by Miss Frances Russell, formerly on the staff of the *North-China Daily News*. Dr. Fearn's book will deal largely with the story of her life as director of a mission hospital in Soochow and later in hospital and medical work in Shanghai.

H. M. Sherrett-Rogers, one of the last survivors of the famous American shipping and trading firm, Russell and Company, died recently in Paris at the age of 82. He came to China in 1877 and was manager for his firm at Chaatsze. In 1895 he left Foochow for Paris where he has been engaged in business since. While in Foochow he once rescued the French consul during a naval bombardment, for which he received the Legion of Honor and other French decorations. He is survived by his wife, Catherine Clifford and a daughter, Mrs. Wellesley Kipling, well known members of the Paris American colony.

Two American youths, John Potter, 24, graduate of Dartmouth and Robert Chase, 22, also of Dartmouth, arrived in Hongkong by Clipper plane last week to join the Richard Halliburton junk-trip across the Pacific to San Francisco. Halliburton, author of adventure stories, hopes to pilot a Chinese junk across the Pacific in time for the opening of the San Francisco World's Fair. The junk is now being outfitted for the trip.

Edna Lee Booker, whose other name is Mrs. John S. Potter of Shanghai, is the author of an interesting article entitled, "Fei Gai! Fei Gai!" in the November *Cosmopolitan*. The article deals with her experiences in an air-raid at Canton. Mrs. Potter, who writes under her maiden name of Edna Lee Booker, is correspondent for *International News Service*. She recently returned to Shanghai from a trip to Hankow where she interviewed Madame Chiang Kai-shek and other leaders of the National Government.

Maurice Baudez, French Consul-General at Shanghai, returned to the city on Nov. 26 following a brief vacation which he spent in France. Paul Auge served as acting Consul-General in Mr. Bandez' absence.

Robert P. Martin, graduate of the Pulitzer School of Journalism, Columbia University, N. Y., has joined the staff of the *United Press* at Shanghai. Mr. Martin was awarded the Pulitzer Fellowship for excellence in school work last year. He is a native of Pasco, Washington and previously was employed on the *Post-Intelligencer*, Seattle.

F. W. Fisher, formerly manager for the *United Press* in Peiping, who is now in the Shanghai office, will remain here for several weeks during the absence of Robert Bellaire, who has gone to Manila.

Miss Lee Ya-ching, Chinese aviatrix, well known in Shanghai and Chinese nationalist circles, recently landed at Los Angeles in her own plane. She was met by members of the China Aid Council which is engaged in raising funds for civilian relief in China. She is known in the United States as the "China Amelia Earhart."

A Japanese fisherman named Kamichi Kanasiro was shot and killed by the Chief of Police of Coron, Philippine Islands, on Nov. 22, according to *United Press* report. As a result of a demand on the part of the Chief-of-Police to inspect Kanasiro's fishing license, which the Japanese refused to produce, a fight developed in which the Japanese was killed. Two other Japanese were also detained.

Ten Chinese, seven women and three men, were arrested at Manila on Nov. 22 charged with illegal entry into the Philippines. It was stated that 20 immigration officials had been discharged and the department reorganized as a result of the discovery that large numbers of Chinese recently had entered the Islands illegally.

Several hundred French and other foreign residents of Shanghai attended a reception at the French Club on the afternoon of Friday, Nov. 26 in honor of M. Paul Emile Naggiar, French Ambassador to China, who has recently been appointed Ambassador to Russia. After several years in the Consular Service, Mr. Naggiar was appointed Ambassador in 1936. He has been highly regarded by the Chinese authorities and his associates in the Diplomatic Corps. Prior to assuming his post in Moscow, he is planning to make an extensive tour of the United States. It is not yet known when his successor, M. Henri Cosme will arrive, but it is thought about mid-December.

Yenching University, Peiping. conducted under American missionary auspices, now has 942 students in all of its departments, according to recent report of the university authorities in Peiping. Despite numerous attempts of the Japanese military authorities to interfere with the curriculum, the school is operating normally in accordance with its motto, "Freedom Through Truth for Service." In addition to the institution's previous work in research, it has recently taken on other lines previously conducted by Chinese institutions in North China. Recently the school added courses in engineering which are being conducted by Sam Deane. Dr. John Leighton Stuart is president of Yenching. Two other foreign educational institutions are also still functioning in Peiping, the Catholic University and the Sino-French University.

Frank Smothers, correspondent for the *Chicago Daily News*, who was previously stationed in Shanghai and Peiping, was expelled from Italy by order of Mussolini on Nov. 22, according to *Havas* report, stating that the cause of Mr. Smothers' expulsion was "his general attitude toward Fascism."

Yunnan 'Bait' for Sales of Arms

Clever utilization by the Chinese Nationalist representatives of the psychological reactions of French Indo-China officials on Nov. 29 was credited in Tokyo for the continued transportation of arms destined to the regime of Gen. Chiang Kai-shek through French territory in the face of a Paris ban. The attitude of French officials was summarized by a Tokyo expert as follows:

1. As "colonials," they are in favor of the maintenance of the status quo in the Far East and loon look upon all events from the standpoint of French Indo-China alone.

2. They have been attracted by Chinese promises of special concessions in Yunnan, which the French have been seeking for several years.

In this frame of mind. French officials tend to look upon all Japanese as spies, while they permit the surreptitious transportation of arms into China. Officially, they pretend to obey the instructions of the French Government regarding the prohibition of transit of China-bound arms thorough their territory.

The Paris Government, in October last year, informed Tokyo that it had banned, on its own initiative, the transportation of arms for China through French Indo-China. Transported into China last year, by the Yunnan Railway, were 70,000 tons of goods according to information available here.

Meantime, efforts of the Chinese Nationalists to establish firm connections with Burma were seen in the feverish efforts to improve the highway linking Yunnan to Burma. On the Burmese side, trucks are running day and night carrying road-building materials along the 112-mile highway from Lashio to the Yunnan border, reliable information reaching Tokyo has revealed.

Contract Extension Denied Banks

The petition of the local commercial banks for a further extension of one year of thier contracts entered into with the four government banks concerning application for legal tender notes has been rejected by the Ministry of Finance, it was learned here.

In its reply the Ministry stated that all the contracts already extended previously should be liquidated on expiry next month in accordance with the decision reached at the 22nd meeting held recently by the joint administrative office of the four government banks in Chungking.

However, in order to aid those banks which really do not have the ability to raise cash to redeem their securities placed with the government banks, the Ministry allows that part of these secuirties consisting of government bonds to be employed as guarantee to settle the banknotes applied for by these banks. This guarantee is to be repaid in two years in four six-monthly instalments.

Although appreciating this plan, the local banks are said to express the opinion that its carrying out will bring about various difficulties. Consequently, the Chinese Bankers Association and Native Bankers Association are intending to shortly held a meeting together to request the Ministry to formulate other more favorable measures, it is learned.

87-030

New Books of Interest in the Far East

A Late President

Woodrow Wilson—Disciple of Revolution, by Jennings C. Wise. Published by the Paisly Press, New York. 674 pp. U.S.$3.75.

A political biography of Woodrow Wilson is necessarily the history of America's involvement in the World War of 1914-18. This story has been told before, in whole or in part, by other authors. The most detailed study yet made, in the recollection of this reviewer, was C. Hartley Grattan's "Why We Fought." Colonel Wise's book possesses the distinction of approaching an old subject from a new angle. It unfolds before the reader the transition from isolationism to "internationalism" in United States foreign policy as reflected in the political career of America's war-time President.

The author's description of Woodrow Wilson as a "disciple of revolution" is apt to be misleading until one understands what the author means by the term "revolution." The volume itself soon clears this up. Wilson was not mere by a disciple of revolution, but he actually accomplished a revolution in America's politics—first, by making himself a virtual autocrat, shielded by the facade of representative government; second, by plunging America into the World War in the name of democracy and a league of nations, a departure which signalized the end of that isolation from the affairs of Europe which had been the keystone of the policies established by the founding fathers of the Republic.

Colonel Wise is a man of strong prejudices. From his book one derives the impression that he regards the late President Wilson as the evil genius of America's destiny. What is more, "the evil that he did...lives after him;" being perpetuated in the contemporaneous policies of President Franklin D. Roosevelt. The author is nothing if not forthright in his condemnation of Wilson's character and almost every act of his administration. He quotes approvingly a statement attributed to Cleveland in 1908, when Wilson, while still president of Princeton University, was angling for the governorship of New Jersey. Wilson was described by the ex-president as "intellectually dishonest."

It appears that Wilson was being backed by powerful friends for the Democratic nomination while steadfastly denying that he was actually a Democrat; in other words, he was playing the ancient political game of double-dealing.

Since he regarded both the Republican and Democratic parties as useless instruments with which to reform American politics along the lines which he thought necessary, Wilson had long cherished the ambition to found an entirely new party of which he would automatically become the leader. Nevertheless, since this project showed small prospect of materializing, he was prepared to climb on the Democratic bandwagon, but not before he was practically assured in advance of the Democratic nomination for the governorship of New Jersey. To Grover Cleveland, whose disciple Wilson was, this was the clearest evidence of intellectual dishonesty.

Wilson, says Colonel Wise, was possessed by "an overweening personal ambition, served by cold selfishness, disloyalty, disingennousness, and equivocation...His studied betrayals of his fellows, and of his party, his bold assaults on the noble tradition of his predecessors, who had consecrated themselves to the ideals symbolized by the seal of the Republic, could only yield evil fruit."

The biographer, it seems, would like to turn back the clock of history. He appears to be obsessed with the notion that the doctine of "America first" can be implemented in the modern world only by that policy of isolationism which Woodrow Wilson so effectively overthrew. "The American people," he says, "cannot undertake to set aside the ideals of Washington without paying the penalty."

But what if the "ideals" of Washington were merely political expedients, appropriate only to that period in American history

WHY SEE YOUR CHILD SUFFER?

BABY'S OWN TABLETS

Are Mother's Help
And the Children's Friend.

At very little cost every mother can add to her own happiness and to her children's safety, for whilst of but small price Baby's Own Tablets are of great value in every home where there are little ones.

What mother does not feel pain when she sees her infant suffering the tortures of teething? Baby's Own Tablets quickly alleviate these pains. Or when colic comes, there is nothing better to give prompt relief. For infantile indigestion and constipation no remedy exists superior to Baby's Own Tablets; and they are promptly helpful in diarrhoea. They expel worms, relieve croup, bring calm health-restoring sleep in a natural way. Are guaranteed absolutely safe and harmless. Of all chemists.

Ideal Gift Books for Home Friends

A Collection of Famous Pictures of the Sung Dynasty (A.D. 960-1278)

Formerly Preserved by the T'ien Lai Studio

Reproduced with 4-color process. Bound in rich brocade. Size 40 x 54 cm. With a silk bookcase and a paper box. Price $80.00, Postage extra.

In the pictures collected in this album are seen various seals of Hang Tzu Ching, the celebrated painter, collector, and connoisseur of the Ming Dynasty, which testifies to the value and genuineness of the original pictures. The collection was later passed from Hang's T'ien Lai Studio to the possession of Wang Fang Chang, of T'ai Ts'ang, and is now owned by Li Bah Koh, of Ming Hsien, to whom credit is due for permission to reproduce the pictures in 4-color process. The collection is composed of fifteen paintings, each being prefaced with a narrative account of the subject in both Chinese and English.

Other Books on Chinese Arts and Literature

(Rendered in English or French)

Illustrated Catalogue of Chinese Government Exhibits for the International Exhibition of Chinese Arts in London. In Four Volumes Vol. I, Bronze, $3.00; Vol. II, Porcelain, $5.00; Vol. III, Painting and Calligraphy, $5.00; Vol. IV, Miscellaneous, . . . $5.00
Les Œuvres Recentes de Chen Shu-Jen (Collection "Chine-France" Les Maitres Chinois Contemporains) $3.50
The Four Books, with English Translations, by James Legge $3.50
The Book Of Poetry, Text and English Translation, by James Legge $2.50
Gems Of Chinese Verse, translated by W. J. B. Fletcher $2.00
More Gems Of Chinese Poetry, translated by W. J. B. Fletcher $2.00
The Li Sao, translated by Lim Boon Keng $3.00
Water Margin, translated by J. H. Jackson $7.00
The Little Critic: Essays, Satires and Sketches on China by Lin Yutang . . . . . Vol. I $2.00; Vol. II. $1.80
The True Story of Ah Q, translated by George Kin Leung $1.20
The Lone Swan, translated, by George Kin Leung . . . $2.00
Love And Duty, by Madame Ho Ro Se $1.60
Forgotten Tales of Ancient China, by Verne Dyson . . $3.50
Plum Blossoms and Blue Incense, by James W. Bennett & K. L. Soong $4.00

THE COMMERCIAL PRESS, LTD., PUBLISHERS

Sales Office, 211 Honan Road

which stretches from the conclusion of the War of Independence to the outbreak of the World War? Wise does not venture to discuss this question, but from his reconstruction of what occurred in the fateful years of 1914-18 the crystal-clear conclusion emerges that it was impossible any longer to fit American policy into the frame-work of the Washingtonian "ideals." Times had changed. The United States had grown into a world power, although this fact was not yet reflected in its external policies with any real clarity. The vanishing frontier had finally vanished. The era of primitive accumulation was over. From an importer of capital, the United States had been converted into an exporter of capital. How could any realistic politician, cognizant of the growing role of his country in world economy, continued to speak of the now petrified isolationist policy of Washington and his immediate successors?

Every single circumstance of America's corporate life after the war commenced, predetermined the country's entry into the war on the side of the Allied Powers. Wise recognizes this. And strange as it may seem, he believes America *had* to intervene on the side of the Allies. In his view, however, the intervention should have been squared with Washingtonian policy in the sense that the United States should have pursued exclusively its own war aims. Wilson "betrayed" the ideals of Washington by his espousal of a league of nations into which America was to enter at the end of the war, and by his proclaimed policy of fighting the Central Powers in order to "make the world safe for democracy." According to him this was none of America's business and it meant—horror of horrors!—entangling alliances under the guise of fine, humanistic phrases and institutions.

American neutrality, Wise shows, continued only so long as it was profitable and in line with the larger aims set by Wilson with the advice of Col. E. M. House, whom Wilson described as his *aleer ego*. Wilson's idea was that the United States, by remaining aloof and keeping its resources intact, would be in an unique position to dictate the peace terms. In other words, Wilson envisage neutrality as a device by means of which America would be able to establish its world hegemony. When the danger loomed that a victorious Germany would dictate the peace, in which case the huge American investment in the Allied cause might be irrevocably lost—then, and only then, was neutrality abandoned. Thus the act of entry into the war is shown to have been the culminating point of a policy which, essentially, and notwithstanding all of Wilson's idealistic phrases, was designed to advance the world position of the United States.

Wilson was a master orator in the Jeffersonian tradition and a no less masterly compiler of diplomatic notes. Most of his major speeches and papers. and his messages to Congress, during the war period, are reproduced textually in this volume and make lively reading. Yet when one juxtaposes his finely-spun idealistic and humanitarian declarations with the principal acts of his administration, all of which he personally dictated, one can hardly avoid the conclusion that the United States had for its war president a consummate political hypocrite. He spoke with lofty idealism of the principle of self-determination and was horrified by the German invasion of Belgium. Yet twice he authorized military expeditions to Mexico to interfere in the internal affairs of that country. During the first two and a half years of the war, he exhorted the American people to observe a neutral attitude "in deed and thought" while guns and shells and bombs, supplied by American armament firms, were helping reduce Europe to a shambles. As long as neutrality remained the dominant sentiment of the country, Wilson garbed himself in the role of the "great pacifier." But, understanding as he doubtless did, that America's entry into the war was but a matter of time, he sedulously prepared the public mind for it under the cloak of pacifism.

This latter fact is clearly established in Wise's book, and it causes one to reflect on the present policies of the Roosevelt administration and their possible meaning for America's future. Franklin D. Roosevelt, the first great Democratic president after Wilson, bears in many respects a striking resemblance to "the Great Commoner." The silver-tongued orator is also a great idealist and pacifist. He is horrified by the persecution of minorities in Europe, fearful for the future of democracy. He repeatedly castigates aggressor states. With the war drums rolling in Europe and the Far East, he announces to the world his hatred of war. And in the name of peace he builds up the mightiest peace-time military establishment the world has ever seen.

Readers of Wise's book will decide for themselves as to the likelihood that Roosevelt, like Wilson before him, may prove to be an idealistic instrument of war-mongering capitalism. The career of Wilson, and the career of Roosevelt thus far, seem to suggest that when a peace-loving people is to be plunged into war, history cunningly selects a great humanist, a great pacifist, for the sanguinary job.

R. E.

Academic Viewpoint

The Far East—By Harold S. Quigley and George H. Blakeslee. Published by the World Peace Foundation, Boston, Mass. 353 pp. Cloth edition U.S.$2.50, paper U.S.0.75.

This book is described by the publishers as indispensable for an understanding of the background of the war between China and Japan, but the claim will be rejected by any serious student of Far Eastern affairs who gives the volume the most cursory inspection. True, it does present background facts, but then one could name half a dozen comparatively recent volumes which do the same thing and not in the tiresomely pedantic style of the authors of the present volume.

Professor Quigley graces the chair of political science at the University of Minnsesota, while Blakeslee is professor of history and international relations at Clark University, and professor of diplomacy and international politics at the Fletcher School of Law and Diplomacy. No doubt the academic training and positions of the authors are responsible in part for their decidedly dry-as-dust presentation of the dynamic happenings in the Far East in recent years.

Nevertheless, one might have expected them to display at least some historic insight, some scientific erudition, to balance the dullness of their style.

On the contrary, one encounters in the very first chapter an amazing compound of shallowness and scholarly naivete. The authors describe with substantial accuracy the China scene after the revolution of 1911. They tell of the succession of militarist wars which rent the country apart and prevented the emergence of a unified state authority, but they fail utterly to give any explanation for this state of affairs in terms of the sciences which they profess to teach.

Any schoolboy who has learned the elements of social socience knows that the major determinants of any political situation are essentialy social and economic in character. He would discern in economic backwardness, agrarian barbarism, absence of modern communications, plus interference in the country's affairs by foreign powers, the basic causes for that medieval particularism which, finding its ultimate expression in civil wars, kept China in a state of chaos after the fall of the Manchu dynasty. All that our erudite authors are able to offer by way of explanation for this state of affairs is the following gem: "The vast dimensions of the old empire worked against unity in national spirit and encouraged regionalism in the control of administration." With that they leave the subject.

The worthy professors, who by implication make of "vast dimensions" a historic law, might pertinently be asked why the similar "vast dimensions" of the United States did not effectively work against national unity and for regionalism in that country. The answer, surely all too obvious, is that the United States, having won sovereign independence, was able to advance unhindered toward the economic conquest of its own territories and, upon that foundation, to erect a centralized state power. China has known no sovereign independence for a full century and it still has to be won.

Of this central fact the authors of "The Far East" would appear to be calmly oblivious. The shallowness of their thought, as exemplified in the instance quoted above, pervades the whole of their work and is fittingly complemented by statements which suggest that they are a little too fond of playing with words. For instance, their statement that "Generalissimo Chiang Kai-shek is so powerful as closely to resemble a dictator." One wonders what dictatorial powers a man must exercize before our professors will actually call him a dictator!

This reviewer can recommend the professor' book only for its index and the nearly sixty pages of appendices which include major diplomatic and other documents pertaining to the recent history of China and the Far East.

F. G.

Japanese Stores Outlaw Santa

Santa Claos and his Christmas presents will skip Japan this year the Tokyo Department Store Association having gone on voluntary record to prevent their customers from buying holiday gifts. This drastic decision to sacrifice the greatest period of revenue of the year was conveyed recently to the Ministry of Commerce and Industry in the desire to comply with the national thrift promotion campaign.

Nine other self-imposed measures were adopted by the Association include the prohibition of lottery prizes in connection with year-end sales; limit newspaper advertising to a maximum of a quarter-page; outlaw glaring electric signs, streamers, and balloons, signboards along railway lines, musical bands and the use of the word, "gift" in advertisements. Special sales will be allowed and stores will be permitted to remain open an hour longer, but the customers will not be induced to spend their money for gifts, it was agreed.

Destroyer Launched

The destroyer Shincho was launched at the Maizuru naval dockyards Nov. 29 in the presence of Vice-Admiral Eikichi Katagiri, Commander of the naval base. After the vessel is equipped she will be commissioned soon for service in China waters.

87-032